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No. 125

## Senate

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Today's prayer will be offered by our guest Chaplain, Dr. Wendell Estep, from Columbia, SC.

We are pleased to have you with us.

### PRAYER

The guest Chaplain, Dr. Wendell R. Estep, First Baptist Church, Columbia, SC, offered the following prayer:

Gracious Father and God, we bow before You with grateful hearts. As King David prayed, "Who am I, O Lord God, and what is my house, that Thou hast brought me this far?" The positions of influence and service that we enjoy have come as a trust from Your hand and we acknowledge our ultimate responsibility to You.

Father, as I bring this body of men and women before You, I make two requests: that You give them wisdom and that You give them courage to act on that divine wisdom.

Gracious Savior, we desire Your blessings on America, but Your word declares our responsibility: "If My people who are called by My name humble themselves and pray, and seek My face and turn from their wicked ways, then I will hear from heaven, will forgive their sin, and will heal their land."

Bless these Senators as they provide godly leadership. I pray in the name of Jesus, my Lord. Amen.

### PLEDGE OF ALLEGIANCE

The Honorable SLADE GORTON, a Senator from the State of Washington, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

### RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. LOTT. I thank the Chair.

I yield for some comments with regard to our visiting Chaplain to Senator NICKLES.

Mr. NICKLES addressed the Chair.

The PRESIDENT pro tempore. Senator NICKLES is recognized.

### GUEST CHAPLAIN ESTEP

Mr. NICKLES. Mr. President, I wish to join with you in welcoming our guest Chaplain of the day, Wendell Estep.

The President pro tempore introduced Pastor Estep as being from South Carolina. However, we still consider him a native of Oklahoma. Pastor Estep was one of the leading pastors in my State. He led one of the largest churches in the State, Council Roads Baptist Church. Before that, he was at the First Baptist Church in Pawhuska, OK, which is pretty close to my home town of Ponca City. He is really one of the most respected leaders we have had in our state, and we still consider him an Oklahoman. We are delighted to have him as guest Chaplain and very much appreciate his opening our day with a beautiful prayer this morning.

I thank Pastor Estep for joining us.

Mr. LOTT. Mr. President, I, too, thank our guest Chaplain for being with us today. I know most Senators have been informed that our Chaplain, Lloyd John Ogilvie, is doing quite well in his recovery period, and we look forward to having him back in the Senate to hear his melodious voice and beautiful prayers. In the meantime, we are glad to have our guest Chaplain this morning.

### SCHEDULE

Mr. LOTT. Mr. President, this morning it is hoped that the Senate will be

able to resume consideration of the Interior appropriations bill. The oil royalties amendment is the only remaining issue to dispose of prior to completing action on the bill. However, in order to resume consideration of the oil royalties issue, it may be necessary to have several procedural votes this morning; therefore, Senators should anticipate votes beginning shortly. The Senate will also resume consideration of the VA-HUD appropriations bill with the hope of finishing that legislation today. Also, either later on today or tomorrow, it is hoped we can take up one, two, or more appropriations conference reports as they are completed.

### THE JOURNAL

Mr. LOTT. Mr. President, I ask unanimous consent that the Journal of proceedings be approved to date.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

### DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 2000

Mr. LOTT. I ask unanimous consent that the Senate now resume consideration of H.R. 2466, the Interior appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2466) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2000, and for other purposes.

Pending:

Hutchison Amendment No. 1603, to prohibit the use of funds for the purpose of issuing a notice of rulemaking with respect to the valuation of crude oil for royalty purposes until September 30, 2000.

Mr. LOTT. Mr. President, I now move to proceed to the motion to reconsider

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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the vote by which cloture failed with respect to the Hutchison amendment No. 1603, and I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LOTT. Before the vote begins, let me announce to my colleagues, if the motion is agreed to, we will have an immediate vote on the actual reconsideration of the cloture vote. If that second vote is agreed to, it is my understanding that we may have 10 minutes of debate prior to the cloture vote.

Therefore, Senators can anticipate two immediate votes this morning and a third vote occurring shortly thereafter.

I thank my colleagues.

The PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from New York (Mr. MOYNIHAN) is necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. MOYNIHAN) would vote "no."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 60, nays 39, as follows:

[Rollcall Vote No. 287 Leg.]

YEAS—60

Abraham	Fitzgerald	Mack
Allard	Frist	McCain
Ashcroft	Gorton	McConnell
Bennett	Gramm	Murkowski
Bingaman	Grams	Nickles
Bond	Grassley	Roberts
Breaux	Gregg	Roth
Brownback	Hagel	Santorum
Bunning	Hatch	Sessions
Burns	Helms	Shelby
Campbell	Hutchinson	Smith (NH)
Chafee	Hutchison	Smith (OR)
Cochran	Inhofe	Snowe
Collins	Inouye	Specter
Coverdell	Jeffords	Stevens
Craig	Kyl	Thomas
Crapo	Landrieu	Thompson
DeWine	Lincoln	Thurmond
Domenici	Lott	Voinovich
Enzi	Lugar	Warner

NAYS—39

Akaka	Edwards	Levin
Baucus	Feingold	Lieberman
Bayh	Feinstein	Mikulski
Biden	Graham	Murray
Boxer	Harkin	Reed
Bryan	Hollings	Reid
Byrd	Johnson	Robb
Cleland	Kennedy	Rockefeller
Conrad	Kerrey	Sarbanes
Daschle	Kerry	Schumer
Dodd	Kohl	Torricelli
Dorgan	Lautenberg	Wellstone
Durbin	Leahy	Wyden

NOT VOTING—1

Moynihan

The motion was agreed to.

VOTE ON MOTION TO RECONSIDER

The PRESIDING OFFICER (Mr. ROBERTS). The question is on agreeing to the motion to reconsider the vote on amendment No. 1603.

Mr. GORTON. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. GORTON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from New York (Mr. MOYNIHAN) is necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. MOYNIHAN) would vote "no."

The result was announced—yeas 60, nays 39, as follows:

[Rollcall Vote No. 288 Leg.]

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Conrad	Kerrey	Sarbanes
Daschle	Kerry	Schumer
Dodd	Kohl	Torricelli
Dorgan	Lautenberg	Wellstone
Durbin	Leahy	Wyden

NOT VOTING—1

Moynihan

The motion to reconsider was agreed to.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on amendment No. 1603 to Calendar No. 210, H.R. 2466, the Interior appropriations bill:

Trent Lott, Kay Bailey Hutchison, Gordon Smith of Oregon, Thad Cochran, Larry E. Craig, Bill Frist, Mike Crapo, Don Nickles, Craig Thomas, Chuck Hagel, Christopher S. Bond, Jon Kyl, Peter Fitzgerald, Pete Domenici, Phil Gramm, Slade Gorton.

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the Hutchison

amendment No. 1603 to H.R. 2466, the Interior appropriations bill, shall be brought to a close?

The yeas and nays are required under the rule.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Washington is recognized.

Mr. GORTON. I now ask unanimous consent that there be 10 minutes of debate, equally divided, between Senators HUTCHISON and BOXER prior to the cloture vote on the Hutchison amendment No. 1603.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, may we have order in the Senate so we may be able to hear the Senator.

The PRESIDING OFFICER. The distinguished Senator from West Virginia is correct. We will not proceed until the Senate is in order.

If the distinguished Senator from Washington would repeat his request, please.

Mr. GORTON. I ask unanimous consent that there be 10 minutes of debate equally divided between Senators HUTCHISON and BOXER prior to the cloture vote on Hutchison amendment No. 1603.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, before it counts on my time, I ask the Senator from Texas if she wants to begin the debate or finish the debate.

Mrs. HUTCHISON. Mr. President, I will let the Senator from California proceed first.

The PRESIDING OFFICER. The distinguished Senator from California is recognized.

Mrs. BOXER. I thank the Chair.

Once more, I tell the Senate, the reason I have taken the Senate's time on this is twofold. First, it seems to me an amendment such as this does not belong in the Interior bill. In essence, it is a very major policy change. Oil companies sign an agreement with the Federal Government that, when they have the privilege of drilling on Federal lands, be it onshore or offshore, they pay a percentage of the fair market value of the production to the Federal Government. This is very important because in the Federal Government we use that for the Land and Water Conservation Fund, which is so important for our environment, historic preservation, national parks, et cetera. The States use their share to put the funds right into the classroom.

If this amendment is approved, if cloture is invoked and the amendment is approved, the Land and Water Conservation Fund will lose \$66 million. Because of this rider, which the Senator from Texas has put on these bills on three prior occasions, the Treasury has already lost \$88 million. Mr. President, we badly need those funds for

those important purposes of the environment and education.

What the Senator's amendment does is stop the Interior Department from collecting the appropriate amount of royalties. How do we know we are not getting the appropriate amount of royalties? We have whistleblowers who have come forward and have told of a scheme to defraud the United States of America of the due amount of royalties.

Just last month, a few weeks ago, Chevron agreed to settle a case on royalties, \$95 million. This is a headline from the Wall Street Journal: Chevron to Pay \$95 Million to End Claim It Shortchanged U.S. on Royalties.

The companies are settling these claims at an unbelievable rate—\$5 billion has already been settled by seven States. Twenty-five percent of these companies are cheating us, and they don't have a leg to stand on. They don't want to go to court. Therefore, they are settling.

What we know, for example, is that in one of the recent suits that was filed, the United States of America has joined two whistleblowers—and this is the first time this has ever been made public—outlining seven schemes by the oil companies to cheat Uncle Sam, cheat the taxpayers out of the money. We have heard of the seven wonders of the world, and we have heard of the 7 years war and the seven seas and seventh heaven and the 7-year itch and 007 and many 7s, but we have never heard of the seven schemes of the oil companies until now. In essence, all seven schemes have one goal; that is, to show that the value of the oil is less than what it really is.

I think it is time to put an end to this. The USA Today headline says it all: It is Time to Clean Up Big Oil's Slick Deal with Congress.

Reading directly from the article:

Imagine being able to compute your own rent payments and grocery bills, giving yourself a 3 percent to 10 percent discount off the market price. Over time, that would add up to really big bucks. And imagine having the political clout to make sure nothing threatened to change that cozy arrangement.

This amendment offered by my friend from Texas allows the oil companies to continue this cozy arrangement whereby they decide, these 25 percent of the oil companies, what they are going to pay the Federal Government. In every case, it is below the fair market value.

This \$66 million, as I said before, could do a lot of things. We could hire 1,000 teachers with it, or put 44,000 new computers into the classroom, or buy textbooks for 1.2 million students, or provide 53 million hot lunches for schoolchildren.

So let us not think, when we have this vote, it is a free vote. This cloture vote is very important. The Senator from Texas just about mustered enough votes. She doesn't have one vote to spare. If just one of my colleagues would hear my plea, stand up and say no to this cloture, we could

stop this thievery in its tracks. That is what it is—out-and-out thievery. We need the funds for the functions of government. We need the funds for the people of the United States of America. I urge a "no" vote on cloture.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Texas is recognized.

Mrs. HUTCHISON. Mr. President, I yield 1 minute of my 5 to the junior Senator from Louisiana, Ms. LANDRIEU.

The PRESIDING OFFICER. The distinguished Senator from Louisiana is recognized for 1 minute.

Ms. LANDRIEU. I thank the Chair.

There have been so many misstatements and mischaracterizations and exaggerations and a confusion of facts, as stated by my distinguished colleague from California, I literally don't know where to begin. This is not about the Land and Water Conservation Fund because there is no such real fund where this money goes, and she most certainly knows that. It flows directly to the State treasury. I would know, since the State of Louisiana contributes 90 percent of the money to the so-called fund that doesn't exist.

This is not an environmental issue. This is about a very complicated accounting law governing what huge companies owe the Federal Government. They want to pay their fair share. They are actually begging to pay their fair share. They want a law that makes clear what their fair share is, and they are willing to pay it. That is what this argument is about because the current rule makes it more complicated and more costly.

The PRESIDING OFFICER. The time of the distinguished Senator has expired.

Ms. LANDRIEU. May I have 30 more seconds? Fifteen more seconds to finish?

Mrs. HUTCHISON. Just finish the statement.

Ms. LANDRIEU. I urge my colleagues to rethink their votes on our side. I am actually disappointed there are not more than five of us who truly understand this issue, with all due respect. I hope some of them will think about changing their vote so we can get on with the business of the Senate.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I yield 1 minute to the senior Senator from Louisiana, Mr. BREAUX.

Mr. BREAUX. Mr. President, this question is really about whether we are going to pause for 12 months and negotiate or whether we are going to litigate for 5 years. I think the Hutchison amendment is very helpful in that it says: Let's pause and, instead of fighting it out in the courtroom, let's get people to talk about it in their offices, between Interior and industry, over what is a fair market value.

It is well worth a 12-month pause to try to negotiate instead of litigating

from here on after—that is all the Hutchison amendment does—in order to find out what a fair market value truly is. We should support it.

Mrs. HUTCHISON. Mr. President, today over one-third of the price of a gallon of gasoline is taxable. This chart shows the average price of gasoline, around \$1.20; crude oil is 64 cents, the light part of this chart; taxes are 56 cents.

Now, what the Senator from California would do is raise the price of gasoline for every working American by raising the taxes to go up and up. In fact, that is what has been happening over the last 10 years. From 1990 to 1997, the average per gallon motor fuel tax has gone from 27 cents per gallon to 40 cents per gallon. The retail price net of taxes has stayed approximately the same, going down from 95 cents to 88 cents. It has actually gone down, but taxes have gone up. Therefore, the price of gasoline in 1990 went from \$1.21 to \$1.29 per gallon in 1997.

What the Senator from California would do is add taxes on expenses. We have always taxed at the wellhead. Today, we would tax the expenses, the transportation expenses, that you have to make to get the oil to its destination, the marketing expenses. Can you imagine the concept of taxing advertising being done by an agency without congressional approval and raising the price of gasoline for every working American? That is what blocking this amendment will do. We have 60 votes to go forward; 60 people out of 100 in the Senate are saying we should go forward and have an up-or-down vote on this amendment.

I urge my colleagues to do what is right and let us have an up-or-down vote so that we don't raise the price of gasoline at the pump for every working American.

Mr. President, I yield the remainder of my time to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico has approximately 30 seconds.

Mr. DOMENICI. Mr. President, historically, the royalty has been calculated at the wellhead. The essence of the problem is that MMS decided they want to change that—in many instances, tax it as a royalty many miles downstream. They contend there is a duty to market. A court has already ruled there is no duty to market. They want to come in by the back door and establish regulations and rules that will, indeed, tax beyond the real value of the oil, based upon rules and regulations. It is a new tax, a backdoor way of taking away our prerogative. That is why we have been fighting this for the last 3 years.

Mrs. HUTCHISON. Mr. President, it will raise the price of gasoline at the pump for every working American. I urge a vote for cloture.

The PRESIDING OFFICER. The time allotted to the distinguished Senator has expired.

Mrs. HUTCHISON. I thank the Chair. The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the Hutchison amendment No. 1603 to H.R. 2466, the Interior appropriations bill, shall be brought to a close?

The yeas and nays are required under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from New York (Mr. MOYNIHAN) is necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. MOYNIHAN) would vote "no."

The result was announced—yeas 60, nays 39, as follows:

[Rollcall Vote No. 289 Leg.]

#### YEAS—60

Abraham	Fitzgerald	Mack
Allard	Frist	McCain
Ashcroft	Gorton	McConnell
Bennett	Gramm	Murkowski
Bingaman	Grams	Nickles
Bond	Grassley	Roberts
Breaux	Gregg	Roth
Brownback	Hagel	Santorum
Bunning	Hatch	Sessions
Burns	Helms	Shelby
Campbell	Hutchinson	Smith (NH)
Chafee	Hutchison	Smith (OR)
Cochran	Inhofe	Snowe
Collins	Inouye	Specter
Coverdell	Jeffords	Stevens
Craig	Kyl	Thomas
Crapo	Landrieu	Thompson
DeWine	Lincoln	Thurmond
Domenici	Lott	Voinovich
Enzi	Lugar	Warner

#### NAYS—39

Akaka	Edwards	Levin
Baucus	Feingold	Lieberman
Bayh	Feinstein	Mikulski
Biden	Graham	Murray
Boxer	Harkin	Reed
Bryan	Hollings	Reid
Byrd	Johnson	Robb
Cleland	Kennedy	Rockefeller
Conrad	Kerrey	Sarbanes
Daschle	Kerry	Schumer
Dodd	Kohl	Torricelli
Dorgan	Lautenberg	Wellstone
Durbin	Leahy	Wyden

#### NOT VOTING—1

Moynihan

The PRESIDING OFFICER. On this vote, the yeas are 60, the nays are 39. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. GORTON. Mr. President, I ask for the yeas and nays on the Hutchison amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. GORTON. As manager of the bill, I yield an additional hour to Senator Hutchison of Texas under the provisions of rule XXII, and I am authorized to yield an additional hour of the time of the Senator from Wyoming, Mr. ENZI.

Mrs. BOXER. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senators yielding time must do so personally.

Mr. ENZI. Mr. President, I yield my hour under rule XXII to Senator GORTON.

Mr. BROWNBACK. Mr. President, I yield my hour under rule XXII to Senator GORTON.

Mr. GORTON. Mr. President, I yield those 2 hours to Senator Hutchison.

Mr. DASCHLE. I yield my hour to the distinguished Senator, Mr. BYRD.

Mr. CLELAND. Mr. President, pursuant to rule XXII, I yield my 1 hour to the minority manager, Senator BYRD.

Mr. AKAKA. Mr. President, I yield my 1 hour of debate to Senator BYRD.

Mr. BYRD. Mr. President, as the ranking manager of the bill, I now have 3 hours, as I understand it.

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. I yield my 3 hours to the distinguished Senator from California, Mrs. BOXER.

Mrs. BOXER. I thank the Senator.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, for my own clarification, how much time do I have to speak on this amendment?

The PRESIDING OFFICER (Mr. ALLARD). The Senator has 1 hour.

Mr. DURBIN. Mr. President, many people who have followed this debate over the last weeks and months, I am sure, are curious why the Senate has been spending the amount of time it has on this particular issue. It is an issue which is of great importance to many of us.

First, let me salute my colleague, the Senator from California, Mrs. BOXER. She has led this fight, and it has been a difficult fight. It has involved many hours of debate. It has involved a lot of work on her part and that of her staff. I have been happy to join her and to add my voice to her cause.

We have had what might be called a symbolic vote earlier which suggests that ultimately the oil companies may prevail on this amendment. But I really believe in my heart, if my colleagues, particularly on the other side of the aisle, would just for a moment follow this debate and come to understand what is at stake, they might have a change of mind and a change of heart. Let me explain in the most basic terms, as I understand them, why we are here and why we are facing this debate.

Consider for a moment that we in the United States have many treasures. Visitors to the Nation's Capitol can see ample evidence of the legacy we have been given by previous generations. This magnificent building and all the monuments and statues and museums in Washington, DC, are not owned by any person. They are owned by America. They are owned by the American people. But when it comes to our national treasures, they also include public lands, many of them in remote places all across the United States, lands, frankly, that we as taxpayers own and lands that have value.

This bill which we are considering, the Department of the Interior bill, is one which takes into account these lands and how they are managed. The

Senate and the House, each in its role, has a chance each year to make policy decisions about how we will manage these lands. This year, on the Department of the Interior appropriations bill, several of my colleagues on the Republican side of the aisle have offered what have been called environmental riders.

To put that in common words, it is an amendment offered by a Senator trying to limit, for example, the Department of the Interior in doing certain things in relation to these public lands. So we have had a parade of amendments involving these public lands and how they will be used.

There have been amendments, for example, to initiate the mining of lead in the Mark Twain National Forest in Missouri. It is a suggestion opposed by the two major newspapers in Missouri, by the Governor, by the attorney general, and by every environmental group. But a rider was proposed by a Senator from Missouri that would allow lead mining in this Mark Twain National Forest, an area that is used for recreation. That amendment prevailed. One Democratic Senator joined Republican Senators in what was an otherwise very partisan rollcall.

Another amendment was offered which related to the mining of minerals on public lands, so-called hard rock mining. This amendment, which was offered, I believe, by the Senator from Washington, said that when it came to the mining of those minerals, when companies, private companies, would come onto the land owned by America's taxpayers, we would change the rules and say when they dumped their waste after their mining, they could have more acreage to dump on when they wanted to leave the land behind.

Of course, the mining companies love to mine on public lands because we charge royalties which are a joke. They date back to a law over 100 years old. It is not uncommon for a private mining company, some even foreign companies, to be able to mine for minerals on public lands owned by the taxpayers and to pay as little as \$5 an acre—\$5 an acre to mine for gold, for example. These companies can literally bring millions of dollars of profit out of the public lands owned by this country and pay to the Federal Government \$5, \$10, \$15, \$100, \$1,000.

So the amendment proposed by the Republican Senator suggested that when they mine this land at these bargain basement royalty prices, they will be able to leave more and more acreage of waste dumped behind at the expense of future generations.

We had another amendment relative to grazing. Particularly in the West, grazing is an important use of western public lands. I support it. But the question was whether or not the ranchers who grazed on Federal lands would be able to renew their long-term leases, how much they would pay, and what restrictions they would have on how

much grazing would be allowed. A Republican Senator from New Mexico offered an amendment which said these leases for the grazing permits would be renewed almost indefinitely. Frankly, many of us thought that was something we should question—whether or not we should, from time to time, make environmental reviews of the use of grazing permits to make certain the public land ended up being used for the best purpose for America.

So time and time again, we have seen a clear difference in philosophy from the other side of the aisle, the Republican side of the aisle, and the Democratic side of the aisle when it comes to public lands. I will only speak for myself, but I will tell you what my philosophy is. I believe these public lands are a public trust. I have been honored to represent the State of Illinois in the Senate. I believe, in my actions and in my votes, I should never compromise the integrity of this legacy of public lands that have been left for my supervision, entrusted to me. I have tried my best to vote so I can say, whenever I leave this body, I took this treasure of public lands and returned it to the next generation in as good shape as, or better than, I received it. I think that is consistent with the idea of conservation. It is consistent with the idea of protection.

I concede, people can use public lands for profitmaking. That is done, of course, by ranchers for grazing and by the mining industry for minerals. It is done, as we have discussed earlier, by those who want to come in and, for example, drill for oil. I believe companies that do that, whether they are cutting wood or drilling for oil, should pay to the American taxpayers fair compensation for using the land so I could say, if ever held accountable: Yes, it is true, we did allow people to cut down trees on public lands; they paid for it; it was not something that was in derogation of the value of the land to be left for future generations.

That is my philosophy: Protect the public lands. If people use them, they should pay fair compensation to America and its taxpayers for the use of the public lands.

The philosophy on the other side—I will try to characterize as best I can—is that the public lands are in some way an intrusion of the Federal Government into many of these States. I think there is a general resentment that the Federal Government owns so much acreage in Western States. Yet the fact is, if the Federal Government had not owned this acreage, it is really questionable whether some of these States would have finally become populated or become part of the Union. The Federal Government took control of the lands in the initiation of our great country, and over the years many of these lands have stayed in our control. I can understand that if I lived in a Western State, I might have a different view. But, frankly, I do not believe they should be viewed as antago-

nistic. These lands are part of our national treasure.

Second, the view on the other side of the aisle is, if a private company wants to come in and make money off these public lands, we should bend over backwards to make it easy for them and subsidize them. That is why we have not changed that mining act for 100 years. That is why these companies are paying \$5 an acre and taking thousands of dollars of profits, millions of dollars of profits, off that acreage and not paying more to the taxpayers. That is why they want to be grazing these lands without the oversight of departments which decide whether or not they are doing something that could harm the lands permanently.

So there is a real difference in philosophy between the Democratic side of the aisle and the Republican side of the aisle. And rider after rider, whether they talk about mining or logging or grazing or drilling for oil, comes down to this basic same debate.

The amendment of the Senator from Texas, Mrs. HUTCHISON, really calls in question the idea of how much oil companies should pay if they are going to drill for oil on public lands and which they turn around and sell at a profit.

Frankly, I have no objection if the drilling for that oil does not create an environmental hazard or environmental problem. These companies should be allowed to bid and to responsibly drill for oil. It is good for America's energy needs. It creates jobs in the area. It is something with which I do not have a problem.

The Senator from California, Mrs. BOXER, and I come to this Chamber to oppose an amendment being offered by the Senator from Texas. The amendment says this: The Department of the Interior, which is to establish the amount of money, the royalty, paid by the oil companies to drill on public lands, will be prohibited, by the Hutchison amendment, from revising that royalty to reflect the cost and value of the oil that is drilled.

I believe this is the fourth time we have gone through this where they have stopped the Department of the Interior from revising upwards the amount of money taxpayers receive in royalties for drilling oil on public lands, despite the fact the law clearly says: Yes, owner of the oil company, you can use public land, but you owe the taxpayers something; pay the taxpayers for profit you are taking out of their land.

Yet the Hutchison amendment says: No, we do not want to revise the royalty schedule; we do not want to make certain that the taxpayers receive fair compensation and the oil companies pay what they are required to pay under the law.

Mrs. BOXER. Will the Senator yield?

Mr. DURBIN. I will be happy to yield to the Senator from California.

Mrs. BOXER. I am so pleased the Senator is taking us back to the basics of this amendment which, as he point-

ed out, has essentially been offered to the Interior appropriations bill on three previous occasions in the committee on which he serves, the Appropriations Committee. We have tried to fight it in that committee only to be outvoted basically on a party-line vote.

This is the first time, I know my friend is aware, we have had a vote on this in the Senate. I underscore and ask a question of my friend.

My friend points out there is a problem with some of the oil companies, that they are not paying their fair share of royalties, and the Secretary of the Interior, Bruce Babbitt, wants to make sure everyone pays their fair share.

Is my colleague aware that 95 percent of the oil companies are doing the right thing? I want to make sure he understands the problem lies with 5 percent of the oil companies that are ripping off the people. I hope he responds to that, and I have an additional question.

Mr. DURBIN. I say to the Senator from California, this chart demonstrates what she has already stated. The percentage of companies affected by this rule is only 5 percent, 68 percent of the Federal production; 95 percent of the oil companies, particularly the small and independent companies, are not affected by this debate. We are talking about the big boys. We are talking about the big oil companies and whether they are going to use our Federal public lands to make a profit and pay the taxpayers a fair share of their profit back to our Treasury.

When I heard the debate on the floor that I heard earlier suggesting that if these big oil companies have to pay their fair share of royalties, the price of a gallon of gasoline is going to go up at the pump, it is almost laughable. We are talking about such a small amount of money in terms of these multimillion-dollar oil companies but a significant amount of money which would come back to Federal taxpayers and to the States that are affected for very important purposes.

The Senator from California is correct.

Mrs. BOXER. I thank my friend. I know he gets this completely. I also want to make sure he knows and that he puts into his remarks the fact that as a result of these three prior riders the Senator from Texas, Mrs. HUTCHISON, has put on these bills, we have already lost to the Federal Treasury \$88 million. Is my friend aware of it? And is my friend aware what this particular amendment will do to add to that \$88 million? I see he has a terrific chart which explains it all. I yield to him for an answer.

Mr. DURBIN. Just by coincidence, I happen to have a chart which illustrates this because this is a point we made during the course of the debate. The cost of this amendment, offered by Senator HUTCHISON, to the taxpayers of America is \$66 million. The amount of money the taxpayers have lost to date is \$88 million.

With both amendments, if this amendment prevails today, America's taxpayers will lose \$154 million which these oil companies were required to pay for the purpose of drilling oil on public land, oil which, of course, has generated great profits for them and their companies.

This observation, that these companies have not paid their fair share for the royalties, has been backed up by lawsuits. States which receive the benefits of some of these royalty dollars have turned around and sued these oil companies and said they are not paying what they are required to pay under the law. In State after State, we have seen the oil companies basically concede, yes, we are underpaying the royalties we owe taxpayers.

Take a look at these recent oil undervaluation settlements. State by State: Alaska, \$3.7 billion; Louisiana, \$400 million; California, \$345 million; Texas, \$30 million. In all, we have collected \$5 billion these oil companies have underpaid, their statutory obligation to pay royalties on this land.

For the proponents of this amendment to argue that it is fundamentally unfair to require private oil companies to pay these royalties and that these formulas for payment are unfair is to ignore the reality that time and time again, when the oil companies have been challenged, they have been found guilty of having cheated the taxpayers out of the fair share of money they were supposed to pay.

The Hutchison amendment says we will not change this formula; we will not update it; we will not hold these oil companies accountable. We will say to the Department of the Interior: Walk away from it; let the oil companies make the profit they want; do not let the taxpayers receive the fair compensation to which they are entitled.

A lot of this money, incidentally, that goes to States is used for purposes which are absolutely essential. One of them is education. What is \$66 million worth in terms of education? That is how much this amendment will cost the Federal Treasury and how much it will leave in the hands of the oil companies. What can one do with \$66 million?

By Federal standards, people say: Don't you people deal in billions? What does \$66 million mean?

With \$66 million, you can hire 1,000 teachers. You can put 44,000 new computers in classrooms. You can buy textbooks for 1.2 million students. You can provide 53 million hot lunches for schoolchildren.

Mr. President, \$66 million may be small change by some Senators' standards, but when it comes to running schools and providing good education, it turns out to be a very important part of the component of meeting our obligation.

Also, this has been an issue which has received a lot of attention. In fact, one of the articles which I think is extraordinary came from a publication

which I rarely would run into, but it is Platt's Oilgram News. I cannot say as I have ever read it or subscribed to it.

On Thursday, July 22, 1999, a retired employee from ARCO, one of the major oil companies involved in this debate, said that his company deliberately underpaid the oil royalties to the Federal Government. This was not a miscalculation. This was not an accidental occurrence. A calculated decision was made by the oil company to short-change America's taxpayers by refusing to pay the royalties required by law because they felt that some day they may be sued as a result of that decision and they would just as soon hold on to the money, declare it as profit, make interest on it, and run a risk they would have a lawsuit and a day of reckoning sometime in the future.

This gentleman, Mr. Anderson, is quoted at length in the article:

I was an ARCO employee, he said. Some of the issues being discussed were still being litigated. My plan was to get to retirement. We had seen numerous occasions, the nail that stood up getting beat down.

... The senior executives of ARCO had the judgment that they would take the money, accrue for the day of judgment, and that's what we did. I would not have been there in any capacity had I continued to exercise the right they had given me to dissent to this process during the discussion stage. But once we made our decisions, ranks closed ... I did not get to be a manager and remain a manager being oblivious and blind to signals.

A calculated corporate decision to underpay the Federal Government: Leave the money in the bank and earn interest on it and wait to be sued.

So the Hutchison amendment basically says: The Department of the Interior should ignore this, ignore the fact that oil companies are basically cheating the taxpayers out of the money to which they are entitled.

Recently there was a lawsuit filed, which the Senator from California brought to my attention, that raised the question of this effort by the oil companies. They came up, in that lawsuit, with what they call the seven schemes by which these oil companies were basically cheating America's taxpayers:

No. 1, misrepresenting the actual value received for oil;

No. 2, buying and selling crude oil at values less than what would have been received in an arm's length transaction;

No. 3, selling oil to their affiliates to mask the true value;

No. 4, claiming an artificially low value for oil refined by the company itself;

No. 5, falsely classifying high-valued sweet oil as lower-priced sour crude oil;

No. 6, paying royalties on the basis of lower-valued oil, then commingling it with higher-valued and selling it as high-quality oil;

No. 7, claiming payment of certain fees on commingled oil when such fees were never paid.

Those are schemes that have been used by these oil companies to avoid

paying the royalty they are required to pay under law.

They want to drill on public lands. They want to make a profit. They do not want to pay back to America the cost we have incurred in allowing them to take this oil from the land. They have been caught time and time again with their hands in the cookie jar.

The Hutchison amendment says: We are not going to pursue these oil companies any further. We are going to say to the Department of the Interior: You cannot enforce the law. You cannot enforce the requirement that these oil companies pay their fair share in royalties.

There are many special interests at work on Capitol Hill. I would be the first to admit it, having served here for 17 years. This is one of the more blatant examples I have seen, where companies have basically come in and said: We want to be exempt from the law.

The Senator from California, Mrs. BOXER, has fought a valiant fight to bring this issue to public attention. Time after time, publications across America, which have taken a look at this issue, have reached the conclusion that the Senator from California is right and this amendment is wrong.

In the USA Today—and this is from last year; same issue, same type of amendment—the editorial is entitled "Time to clean up Big Oil's slick deal with Congress." Let me read just a few words here from the USA Today editorial of August 26, 1998:

Imagine being able to compute your own rent payments and grocery bills, giving yourself a 3% to 10% discount off the market price. Over time, that would add up to really big bucks. And imagine having the political clout to make sure nothing [ever] threatened to change that cozy arrangement.

According to government and private studies, that's the sweet deal the oil industry is fighting to protect: the right to extract crude oil from public land and pay the government not the open market price but a lower "posted price"—based on private deals—

The schemes I mentioned earlier—the oil companies can manipulate for their own benefit.

They go on to talk about the fact that it is no secret that these oil companies are big players in Washington. They make contributions to Members of Congress. And, of course, when the time comes, they expect at least a day in court, if not some help, when their issues come to the floor. This is a classic illustration.

It just strikes me as odd that companies that otherwise enjoy positive reputations are willing to fight so viciously to protect what has been unmasked as a scheme to defraud America's taxpayers.

In the scheme of things, if this 5 percent of the major oil companies paid \$66 million more a year to the Federal Treasury, can you believe that would affect their bottom line? I do not think the money is what is at stake here. I think what is at stake is the attitude, the attitude of these companies that



we have no right as Members of the Senate to defy their scheme and to say that the American taxpayers deserve a fair shake, that the American taxpayers deserve better.

They believe, as some do in this body, that these public lands are there as a disposable product to be used up, if necessary, and discarded, that future generations be damned. That is the philosophy they follow.

That troubles me greatly because I know that Republicans and Democrats alike understand that the law should be followed, understand that private citizens and families and businesses are required to follow the law as much as anyone, and, frankly, that even though we have a good economy, getting away from the days of deep deficits, we still have the need for money in our Treasury for valuable purposes such as, for example, education.

One of the things we will debate in the closing weeks of this session is whether or not this Senate, by the time we adjourn, will be able to point to anything we have accomplished in the field of education.

When the session started, the leaders on the Republican side, who are in control of the House and the Senate, made important speeches about how critical education was in the priorities of this Congress. Yet I will tell you, quite honestly, if we held a gun to the head of any Member of Congress and said, I am going to pull the trigger unless you can tell me something this Congress has done to help American families improve education, I would have to tell them, fire away, because we have done nothing.

This is an illustration, that we would walk away from \$66 million, a portion of which goes back to the States for education, at a time when we realize there are critical priorities in education all across America. Our schools are becoming antiquated. They do not have the modern technology they need. We know more and more kids are on the horizon. They are going to be showing up and enrolling in schools. So the demands are there for education to be improved in every State, and certainly in Federal programs.

Why the Hutchison amendment would want to take away what the Federal Treasury is entitled to receive for the oil companies drilling on public lands, taking that money away, short-changing education, is beyond me. It is beyond me.

Certainly we can have a spirited debate about whether we want to increase taxes for given purposes. We have had that debate. I know it is one that is contentious. But this isn't about a new tax; this is about existing law that requires these oil companies to pay their tax, their royalty, for drilling oil. For some reason, certainly a large number of the Members of the Senate believe these oil companies should be able to walk away scot-free and not accept this obligation.

The Los Angeles Times editorial of July 20, 1999, characterized this effort,

this amendment, the Hutchison amendment, and this scheme as "The Great American Oil Rip-Off." I quote the first paragraph:

America's big oil companies have been ripping off federal and state governments for decades by underpaying royalties for oil drilled on public lands. The Interior Department tried to stop the practice with new rules, but Congress has succeeded in blocking their implementation—

With this amendment that is before the Senate today—

and will again if a Senate bill calling for a moratorium on the new rules, proposed by Senators HUTCHISON and PETE DOMENICI of New Mexico and scheduled for a floor vote . . . is enacted.

Let me read this paragraph:

Not since the Teapot Dome scandal of the 1920s has the stench of oil money reeked as strongly in Washington as it is in this case.

This amendment, frankly, brought to the floor may enjoy the support of a majority of Members and I am sure will enjoy the plaudits and praise of the oil companies benefited by it.

Mrs. BOXER. Will my friend yield on that point?

Mr. DURBIN. I am happy to.

Mrs. BOXER. My friend hits again on an issue that I think we should explore because under the rules of the Senate we have up to 30 hours for debate on this Hutchison amendment. I do not know if it will take 30 hours, but it will take some time because it is important that the light of day shine on this.

My friend from Illinois has hit on a really important point that, in essence, the scandal is the nature of this. I wonder if my friend could comment on the perception people in this country have that if you are big, if you are powerful, if you give millions of dollars in contributions, you can get your way in something as obvious as this.

Why do I say obvious? The New York Times did a story on this just 2 days ago.

I thought the opening lines were very important. I wonder if my friend read them. I think he did. It said:

Oil companies drilling on Federal land have been accused of habitually underpaying royalties they owe the government. Challenged in court, they have settled lawsuits, agreeing to pay \$5 billion. The Interior Department wants to rectify the situation by making the companies pay royalties based on the market price of oil, instead of a lower price set by the oil companies.

The author asks:

A simple issue? Not in the United States Senate.

We have a simple, straightforward issue. If the Senator or I or any of the people watching this debate around the country didn't pay their fair share of taxes, believe me, they would have a knock on their door from the IRS. Here they have a knock on the door from the Senate. They say: It's OK; we will defend it.

I ask my friend whether he feels the power of this special interest is playing a role in this? Not just to pick on them—I know my friend has taken on the tobacco companies time and time

again—but I want my friend to comment on the perception of people in this country that this Senate and this Congress does the bidding of the special interests over the bidding of the people we are supposed to fight for and represent. He can tie it into any issue he wants, but I think it is an important part of this debate.

Mr. DURBIN. I think the point of the Senator from California is well taken: We do demand of families and businesses that they pay their fair share of taxes. If they don't, they are held accountable. What we want to create with the Hutchison amendment is an exception for oil companies; to say to some of the most profitable companies in America that they don't have to pay their fair share as required by law. That is what the Hutchison amendment does.

It says the Department of the Interior cannot review the amount of money being paid in royalties by these oil companies and stop them from even considering implementing and enforcing the law. We know, as the Senator from California has indicated, that in the past, time and again, these companies have underpaid their required royalties to the Federal Government and to the States.

We have a letter, which was addressed to the Senator from California, from the Secretary of the Interior, Bruce Babbitt. He writes, on September 8, 1999:

I am writing to call on you and your colleagues to reject from the Fiscal Year 2000 Interior and Related Agencies Appropriations Bill a Senate amendment extending the moratorium prohibiting the Department of the Interior from issuing a final rule-making on the royalty valuation of crude oil until October 1st, 2000. A similar letter has been sent to the Senate Appropriations Committee.

Prior to a series of congressionally-imposed moratoria, the Department was prepared to publish a final rule on oil valuation on June 1, 1998. On March 4, 1999, I announced that the Department would reopen the comment period for the federal oil valuation rule. On March 12, 1999, we formally reopened the comment period and held a series of public workshops to discuss the rule. We believe that the process set in motion will assure full and open consideration of all new ideas for resolving the concerns that have been raised and will lead to a solution that best meets the interests of the American public.

Currently, we are reviewing the information gathered at the workshops and are confident that we will be able to address the outstanding issues raised by our stakeholders. The moratorium [as suggested by the Hutchison amendment] would simply delay our ability to implement a final rule until October 1, 2000, although we may have resolved these key issues well before then. This unnecessary delay will result in losses to the Federal Treasury, States, and Indians of an amount of up to \$5.65 million per month.

We urge you to defeat any proposal to extend the moratorium prohibiting the Department from issuing a final rule during Fiscal Year 2000.

Sincerely, Bruce Babbitt [Secretary of the Interior]

Five point six million a month, owed to the Federal Treasury, owed to the

taxpayers for the use of public lands for private profit, that will not be paid if the Hutchison amendment passes.

As I look across the aisle, I see a chart the Senator from Texas has used repeatedly to explain how complicated this is to come up with this valuation. I haven't seen it in detail. I don't question the veracity of the Senator's statements about this process.

Let me suggest to my colleagues, when we are dealing with conglomerate oil companies, multinational, with large legal departments, large engineering departments, arguing over the value of oil, trust me, it is not something that is done over lunch, where they write a figure on a napkin and agree to it. You have to bring in all of the information, verify it, subject it to public comment, and then establish the right royalty to be paid by the oil companies.

I think it might be interesting to see a chart of how much the oil companies are paying to bring this amendment to the floor and pass it, all of their corporate and legal departments and government departments that are at work to try to save them over \$5 million a month at the expense of the Federal taxpayers.

The other day, I was on an airplane flying to Washington, which is a big part of my life over the last 17 years. I sat on a plane next to a gentleman from Colorado who worked for MCI WorldCom. He quickly wanted to talk about politics, which is always a dangerous topic when one is captured on an airplane. He allowed as to how he was a libertarian and believed there was entirely too much government around and, frankly, that is the way he voted.

I said: Let me tell you about an issue. Let me describe to you because you live in Colorado—a beautiful State that has a lot of public lands—this issue about whether or not oil companies should be able to come on public land, drill on that land, take the oil out, sell it for a profit, and pay a royalty for that purpose.

He said: I don't have any problem with that; that's only fair. If they are going to use the public lands that they don't own, they ought to pay something for them.

I said: Well, that is what the debate is all about.

The Hutchison amendment stops the Federal Government from collecting the royalty these companies owe under the law. Whether you are a conservative, a libertarian, independent, liberal, this is just simple justice. It is fairness, as to whether or not these companies are going to get such a break from the Senate, that we are basically wrapping up in a beautiful little package with a nice big bow on top, 5.6 million bucks a month to these oil companies.

They hold tag days in the city of Chicago, which I am privileged to represent, for a lot of people who are homeless, people who need food and

clothing, folks who need a break in life. These tag days give you little things to put in your lapel to show that you helped.

They are never going to have a tag day for a major oil company. These companies are doing OK. Frankly, for us to give them an additional subsidy of \$5.6 million a month is scandalous; that at this time in our history, when we know this money could be so well spent for education, for health care, for things every American expects us to respond to, we would literally turn our backs on \$5.6 million a month, money that these oil companies have conceded in lawsuits they underpaid the Federal Government.

That is what this amendment is all about. It is a real test. The oil companies, at the end of this debate, will get the vote. Senators will be counted on: On one side, those who believe the oil companies need to be treated a little more gingerly, a little more lightly, they should not be required to make the payments they are required to make under law; on the other side, those of us who believe the public lands should be protected and those who use them should make fair compensation for the use of those lands.

Mr. President, I reserve the remainder of my time.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I thank my colleague very much, the Senator from Illinois, for his comments. He has proven, once again, a very important point around here; that is, that he speaks for the people, all the people.

I think the primary issue in this amendment is, for whom do we stand up and fight? The oil companies, the tobacco companies, the special interests, they are strong. I know Senator FEINGOLD, who has spoken before, has been very eloquent on the point of the power of the special interests in this country. They have the ability to really make things come out the way they want. On the other hand, this is supposed to be a government of, by, and for the people, which sometimes gets shut out. There isn't an occasion I can recall in all the years I have served with my dear friend from Illinois, Senator DURBIN, not an occasion when he didn't stand on the side of what was right. That is a pretty strong statement. But I know when he gets up and speaks against the Hutchison amendment, it is because he is as outraged as I am that the people are being forgotten by the Senator from Texas, and the very powerful are being represented.

Why did I take so much of the Senate's time on this? Because I feel so deeply that when you see people being hurt, you have to stand up on their side. Now, a newspaper in California said, well, it is only \$600,000 a year to California. First of all, that is incorrect. It is \$600,000 a year as their share of the royalties; but when more money gets put into the Land and Water Con-

servation Fund, the State of California gets back 10 percent of that. So it is really millions of dollars.

Mr. President, I would like to ask my friend, Senator FEINGOLD, at approximately what time he would like to be heard on this.

Mr. FEINGOLD. Right now.

Mrs. BOXER. Since my friend from Wisconsin is here, I will retain the remainder of my time and yield for him.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, I thank the Senator for her tremendous determination and leadership on this issue. I have watched this effort from the beginning, and her enthusiasm and determination is really making a difference. I am extremely impressed with it.

My purpose is to rise again in opposition to the Hutchison amendment. Earlier in the debate on this amendment, I engaged in a colloquy with the Senator from California about the relationship between campaign contributions and the continued reappearance of this amendment. I believe this is the fourth time similar provisions have been offered or contained in the Interior appropriations bill, just since May of 1998.

I will return in a minute to the issue of campaign contributions. First, I want to share a few observations that highlight the overall importance of the issue we are discussing. I ask unanimous consent that an article which appeared in the Wall Street Journal on September 10, 1999, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Sept. 10, 1999]

CHEVRON TO PAY ABOUT \$95 MILLION TO END CLAIM IT SHORTCHANGED U.S. ON ROYALTIES  
(By A Llexei Barrionuevo)

Chevron Corp. has agreed in principle to pay about \$95 million to resolve civil allegations that it shortchanged the U.S. on royalty payments, according to people close to the negotiations.

The agreement would resolve allegations made in a 1996 lawsuit filed in federal court in Lufkin, Texas, by two whistleblowers under the federal False Claims Act. The suit, originally filed against 18 large oil companies, alleges that the companies knowingly undervalued oil extracted from federal and Native American lands from 1988 on to reduce the royalties they owed.

The case is scheduled to go to trial in March, but several companies are moving to resolve the issues well before then. Until recently, only Mobile Corp., based in Fairfax, Va., had addressed the charges; it agreed to pay \$45 million in a settlement in August 1998.

Then, last week, Occidental Petroleum Corp. in Los Angeles agreed to pay \$7.3 million to settle the charges.

According to people close to the talks, BP Amoco PLC and Conoco Inc. also have reached agreements in principal to settle for about \$30 million apiece. A document expected to be filed today in federal court in Lufkin will ask the court to cease discovery against Chevron, Conoco and BP Amoco on



the basis that the government has reached preliminary agreements with the companies.

The people close to the talks said Chevron and the Justice Department must agree on the language of a final agreement, which is expected in the next few weeks. Chevron is based in San Francisco.

Chevron, Conoco and BP Amoco all confirmed they are negotiating with the government, but they wouldn't elaborate. Chevron spokeswoman Dawn Soper said the company hasn't yet signed an agreement, and "until we have a settlement agreement signed, we are not going to comment on what we may have offered or are offering." BP Amoco said it has an "understanding in principal" to settle.

A spokesman for the U.S. Minerals Management Service said discussions are continuing with all three companies, but it wouldn't confirm that any settlements had been reached. The companies' willingness to reach settlements were earlier reported by an industry publication, *Petroleum Argus*.

Since 1996, the Interior Department, in separate actions, has billed the oil companies for more than \$400 million in alleged underpayment of federal royalties stretching back two decades.

In the Lufkin lawsuit, the whistleblowers allege that the companies paid royalties based on a "posted" wellhead price rather than the fair-market value. The Justice Department intervened in the case in March 1998 against four companies: Amoco Corp., Burlington Resources Inc., Conoco and Shell Oil Co., a unit of Royal Dutch/Shell Group. The government later intervened against Occidental Petroleum, Texaco Inc. and Unocal Corp. In the suit, the government is seeking about \$5 billion from all the companies combined, which includes actual damages trebled, plus civil penalties.

Attorneys involved in the suit say more companies are close to settling. Still, Exxon Corp., which prevailed in a 14-year-old royalties case in California recently, hasn't joined the negotiations. Federal regulators argue that the Lufkin case differs from the California case, because the federal royalty agreements were more explicit.

Bob Davis, spokesman for Exxon USA, declined to comment on the oil giant's litigation strategy or to say whether the company would negotiate in the case. However, he added, "in these posted-price issues, it is the company's position that we post our prices fairly and properly, and in complete accordance with the terms of the contract. That applies whether it be the city, state or federal land."

The case was originally filed by two former Atlantic Richfield Co. marketing executives, J. Benjamin Johnson Jr. and John M. Martineck. They stand to receive 15% to 25% of settlements paid in cases where the Justice Department intervenes, or 25% to 30% where the government doesn't intervene.

Efforts by the Interior Department to institute a rule change that would allow the government to collect royalties based on fair-market prices rather than a posted price remain mired in politics. The department estimates the rule change would require oil companies to pay \$66.1 million a year in additional royalty payments.

On Wednesday, Sen. Kay Bailey Hutchison (R., Texas), proposed an amendment to the appropriations bill that would keep the rule change off the books for another year. In defense of the move, she said that while larger oil companies may be able to absorb the higher royalties, the rule changes will hit small producers "at a time when they are still reeling from the historically low oil prices we have seen lately." It was the fourth time since May 1988 that Sen. Hutchison has sought to delay the rule change.

Mr. FEINGOLD. Mr. President, since we have been engaged in debate on the Interior bill, four major oil companies have reached tentative agreements with U.S. prosecutors who accused them of cooperating in schemes to shortchange the Government through their royalty payments by millions of dollars. A tentative settlement, which was filed in Federal court in Lufkin, TX, involved about \$185 million in payments and would end a case that alleged that companies underpaid royalties by undervaluing oil extracted from Federal and American Indian lands.

Though the settlement has not yet been finalized, it is a very serious matter. Chevron USA, Inc.; BP American Inc.; Amoco Oil Co.; and Conoco, Inc.; agreed in principle to settle for \$95 million, \$32 million, \$32 million, and \$26 million, respectively. The Wall Street Journal reported that a 1996 lawsuit by two former Atlantic Richfield employees alleges that 18 companies, their affiliates and subsidiaries, knowingly defrauded the Government on royalties derived from the production of crude oil from land spanning more than 27 million acres in 21 States.

The Justice Department entered the case against Conoco; Amoco; Burlington Resources; the Shell Oil Company; Occidental Petroleum; Texaco, Inc.; and the Unocal Corporation, which resulted in the recent settlements. The Government is seeking triple damages of about \$5 billion from all the companies. The Interior Department has billed the oil companies more than \$400 million for the alleged underpayment of Federal royalties, stretching back two decades.

The Wall Street Journal article I referred to, reports that these recent settlements aren't even the first of their kind. Several companies have been negotiating settlements. The Mobil Corporation agreed last year to pay \$45 million, and Occidental Petroleum Corporation agreed in early September to pay \$7.3 million.

I think this is a very troubling trend as these lawsuits are settled. I am very concerned that Congress is abdicating its responsibility. Unintentionally or not, Congress is making it possible for this issue to continue to go unaddressed because the royalty underpayment situation is the issue that this rulemaking we are debating seeks to correct.

The proponents of this amendment have stated their concerns that regulators are straying onto Congress' turf by amending the regulations. Proponents of this amendment say they want Congress to act on this matter; otherwise, the increase in royalties would amount to a type of "taxation without representation."

I have to respectfully disagree with that argument. It ignores the fact that our Government agencies regularly update their regulations and they are authorized to do so by Congress. We don't require Congress to act every single

time a regulation needs to be changed. We would never be able to get to it.

For example, Congress enacted the 1953 Outer Continental Shelf Lands Act. That law is intended to provide for orderly leasing of these lands, while affording protection for the environment and ensuring that the Federal Government receive fair market value for both lands leased and the production that might result. The Outer Continental Shelf Program is carried out by the Minerals Management Service of the Department of the Interior. Thus, Congress delegated the power to set royalties to MMS.

In addition to ignoring the fact that Congress passed laws which give the MMS the ability to set royalties, this argument that has been made rings hollow when you consider that Congress is not acting to prevent the underpayment of royalties with this amendment. What it is doing is preventing the Interior Department from doing anything about it at all.

So this raises the question: Why is Congress doing nothing about this problem? I think, certainly, the public will want to know why. The alleged underpayments involve more than 6,000 onshore and offshore leases in Texas, Louisiana, Mississippi, California, Alabama, Alaska, Oklahoma, Arkansas, Colorado, Arizona, Florida, Kansas, Michigan, Montana, North Dakota, Nebraska, New Mexico, Nevada, South Dakota, Utah, and Wyoming.

So this is not just a coastal States problem, or even just a Western problem. It affects a broad number of States, and it deserves attention as a national problem, the kind of attention the Senator from California has brought to it.

I have no doubt that one of the factors contributing to Congress' inaction on this issue of great importance to American taxpayers is the role of campaign contributions in the political process. So I want to review the figures I briefly presented when I "Called the Bankroll" last time I joined the Senator from California on the floor. I call the bankroll from time to time in this Chamber to remind my colleagues and the public about the undeniable, but sometimes hidden, role that money plays in the decisions we make.

During the 1997-1998 election cycle, the very large oil companies that will benefit from this amendment gave the following political donations to the parties and to Federal candidates:

Exxon gave more than \$230,000 in soft money and more than \$480,000 in PAC money; Chevron gave more than \$425,000 in soft money and more than \$330,000 in PAC money; Atlantic Richfield gave more than \$525,000 in soft money and \$150,000 in PAC money; BP Oil and Amoco, two oil companies that have merged into the newly formed petroleum giant, BP Amoco, gave a combined total of more than \$480,000 in soft money and \$295,000 in PAC money.

So if you put that together, that is more than \$2.9 million just from those

four corporations in the span of only 2 years. They want the Hutchison amendment to be part of the Interior appropriations bill. As powerful political donors, I am afraid they are likely to get their way.

You will notice that all of these companies except for Exxon gave more to the political parties in soft money than their PACs gave to individual candidates. So, remember, and this is a key thing about soft money, which I don't think everybody in the country realizes; it took me a while to get it. Soft money comes right out of the corporate treasury, right out of the treasury. This isn't money where you form a PAC and you get employees to contribute to it; it comes straight out of the corporate treasury.

I am happy to yield without yielding my right to the floor. I ask unanimous consent that I can yield briefly to the Senator from North Dakota so he can make a request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, pursuant to rule XXII, paragraph 2, I yield my 1 hour to the minority leader, Senator DASCHLE.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, thank you. Let me get back to this point.

Of the four companies I mentioned, only one of the four—that being Exxon—didn't give more soft money than they did PAC money. The point I am trying to make is a very important point about what is going on with these campaign contributions. This money came straight out of corporate treasuries.

I would have thought a few years ago that these kinds of donations were illegal. They are supposed to be essentially illegal under our Federal elections law.

The Tillman Act passed way back in 1907 in the Senate and in the Congress prohibited corporations from making campaign contributions. That statute, which was codified in title 2 of the United States Code, at section 441(b), reads as follows:

It is unlawful for any national bank, or any corporation organized by authority of any law of Congress, to make a contribution or expenditure in connection with any election to political office . . . or for any candidate, political committee or other person knowingly to accept or receive any contribution received by this section.

That sounds pretty simple and straightforward. Yet unfortunately, in 1978, the Federal Election Commission made a ruling that opened up this soft money loophole and allowed the political parties to begin accepting unlimited contributions of soft money from corporations such as Exxon, Chevron, and Atlantic Richfield to pay for party-building activities and things such as get-out-the-vote campaigns and voter registration. That is what it was supposed to be for.

Let me remind my colleagues that we all believed, based on the Tillman Act, that contributions—

Mr. THOMAS. Mr. President, I make a point of order that the subject matter is not germane.

Mr. FEINGOLD. Mr. President, I certainly dispute that. I believe this is entirely relevant. I am talking about corporations and interests that are very much behind this matter. I would certainly suggest that it is appropriate.

The PRESIDING OFFICER. The Chair would remind the Senator that under the cloture, speeches must be relevant to the issue at hand.

Mr. FEINGOLD. Mr. President, I believe this presentation is entirely relevant to this issue. I am going through the way in which these corporations can technically legally provide this kind of help to this cause of trying to make this change. That is merely the background I am giving at this point.

So let me return to the present. Soft money has grown exponentially since those early days when corporate contributions were just going to give the parties a little breathing room to cover party-building activities, not campaigns. In the last Presidential campaign, in 1996, the parties raised \$262 million in soft money, three times as much as in the 1992 election cycle. The experts project we will see perhaps as much as \$500 million or even \$600 million in this next election, and about 65 percent of the money is coming from corporate treasuries.

So as we look at an issue, such as Senator BOXER's concern with the Hutchison amendment, we have to realize that what is before us is not simply an amendment. It is an amendment supported by interests that have been involved in an immense infusion of corporate cash that, unfortunately, is totally legal, even though I certainly don't think it should be. We wonder why the American people are skeptical of what we are doing. We have heard the horror stories again and again. Parties have special clubs for big givers and offer to the donors exclusive meetings and weekend retreats with office holders. And it is totally legal.

In other cases, in other bills, so we know this isn't an isolated incident, the tobacco companies have funneled nearly \$17 million in soft money to the national political parties.

Mr. THOMAS. Mr. President, I raise a point of order again, that campaign finance is not the issue we are talking on, and I raise a point of order on it.

Mr. FEINGOLD. Mr. President, if I may be heard in response.

The PRESIDING OFFICER (Mr. FITZGERALD). The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I believe it is clear that what I am saying is not simply in the context of a debate on campaign finance reform, and that the Members of the Senate and the American people should hear and understand the kind of money that is behind legislation on the floor of the Senate.

I think it is relevant to this debate. I think it is relevant to the debate on the subject matter involved. I have in the past on a number of occasions taken the opportunity to raise this issue. I have spoken about campaign money in connection with 9 or 10 other bills, without objection from anyone, to point out the money that is involved in those bills. As you know, my presentation here has not been exclusively on the topic of campaign money. I have talked about the merits as well. I believe both are relevant, and I certainly would dispute the notion that this is in any way appropriate for a point of order.

Mr. THOMAS. Mr. President, I think it is totally inappropriate. You can talk about the campaign finance issue on any issue. On this issue, we had a vote. This issue was designed to proceed for 30 hours. This issue was not to be done on campaign finance. I continue to raise a point of order, and will continue to raise a point of order.

Mrs. BOXER. Mr. President, may I be heard on this point of order? I ask unanimous consent that I may be heard on this point of order.

The PRESIDING OFFICER. Is there objection?

Mr. THOMAS. I object. I at least would like to have some limit as to the amount of time.

The PRESIDING OFFICER. For how long does the Senator wish to speak?

Mrs. BOXER. I want to make a point in response, and I can do it, and raise a question for the Senator from Wisconsin, because he still controls the time.

Mr. THOMAS. I have no objection.

Mrs. BOXER. Thank you very much.

The PRESIDING OFFICER. The Senator may yield for a question.

Mrs. BOXER. I just got unanimous consent to speak. So I would take that, and I thank my friend.

I want to make a point in support of Senator FEINGOLD's amendment to campaign contributions, but I want to do it in a way that I think is very objective.

If you look at the New York Times article—he should make sure he looks at this New York Times article as well—I say to all of my friends, the title of this article is "Battle Waged in the Senate Over Oil Royalties by Oil Firms." The essence of the article goes to the heart of what my friend is saying. It goes to the heart of the issue of campaign contributions.

So I surely believe the Senator from Wisconsin is in full order to connect this amendment to the number of contributions that oil companies give, and I think his comments are on point and in order.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I would like to object. I would like to take issue, as respectfully as I can, with my colleague from California,

who came earlier to this floor. I don't have the quote, but I remember.

Mrs. BOXER. Mr. President, what is the order?

Ms. LANDRIEU. The order is—

Mrs. BOXER. Mr. President, could I ask what the order is in speaking? I thought the time belonged to the Senator from Wisconsin, and that it was his chance to continue his remarks.

Ms. LANDRIEU. I am objecting to his remarks.

Mrs. BOXER. The Senator from Wisconsin got time to make a speech when he has the floor, and he has an hour's worth of time. I would ask for a ruling as to who asked for time.

The PRESIDING OFFICER. The time of the Senator from California has expired.

Mr. THOMAS. We just completed this question on germaneness. If you would like me to read the ruling, I would be happy to do that.

Mrs. BOXER. That is fine with us.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMAS. On germaneness of debate, if the Senate is proceeding under cloture, debate must be germane. "Germane" means you have to be on the subject. It doesn't mean you can sway off the subject to some irrelevant subject. This says it must be germane, and I again raise a point of order.

Ms. LANDRIEU. The only way it would be germane is if the Senator from Wisconsin—

Mrs. BOXER. Mr. President, who has the time?

Ms. LANDRIEU. On giving contributions—

Mrs. BOXER. Mr. President, who has the time?

The PRESIDING OFFICER. The Senators will suspend.

There are precedents of the Senate that permit nongermane debate even under cloture, notwithstanding the precedent cited by the Senator from Wyoming.

The Senator from Wisconsin has the floor.

Mr. FEINGOLD. Mr. President, I appreciate having the floor returned. I appreciate the ruling of the Chair.

Let me say that any attempt to gag the discussion on the floor of the Senate about the impact of soft money on this place is something I will fight tooth and nail with my colleagues on, and I was prepared, if necessary, had the Chair ruled against me to appeal. But I am grateful for the ruling and the precedents.

There is a notion that somehow saying the oil companies have contributed money means we are accusing somebody of something illegal, or something that can't be done. But that isn't a necessary conclusion. Contributions can be given innocently, but if the impact is that the process is greatly affected and the judgment is affected by the power of that money, I think it is relevant to this debate.

That is my concern about soft money. It is not so much the contribu-

tions given to individual Senators. Individual Members can't take soft money. It is this new phenomenon of the very large soft money contributions being given to political parties that I think has changed this place in a way that is extremely troubling and has allowed some amendments such as the one before the Senate today to get the kind of credibility I don't think they would have had without the power of soft money.

We have heard the horror stories again and again. Parties have special clubs for big givers and offer exclusive meetings and weekend retreats with officeholders to the donors. It is totally legal. In response to the Senator from Louisiana, I can see it is legal. I am not suggesting that these parties or industries are involved in illegal activity; it is legal, but it should be illegal. It is distorting to the process.

The tobacco companies have funneled nearly \$17 million in soft money to the national parties in the last decade, \$4.4 million in 1997 alone, when the whole issue of congressional action on the tobacco settlement was very much alive, and it is totally legal. In 1996, the gambling industry gave nearly \$4 million in soft money to the two major political parties at the same time that Congress was creating a new national commission on gambling but with limited subpoena powers. It is totally legal.

There are some in this body, despite what the Thompson investigation uncovered a few years ago and what news stories show on almost a daily basis, who don't see or won't acknowledge the corrupting influence of these unlimited soft money contributions which again are now totally legal.

I remember a history lesson that one of our colleagues, the junior Senator from Utah, gave during a debate on campaign finance reform a few years ago that was intended to convince Members there was nothing wrong at all with enormous campaign contributions. He recounted the very frequently told story of how Senator Eugene McCarthy's Presidential campaign in 1968 was jump-started by some very large contributions by some very wealthy individuals.

He also noted that Steve Forbes was apparently prepared to make similar contributions to support Jack Kemp for a run for the Presidency in 1996 but was prohibited from doing so by the Federal elections law and decided to run his own campaign, a decision from which we might infer that money is more important than the candidate.

He also recounted the story of Mr. Arthur Hyatt, a wealthy businessman who gave large soft money contributions to the Democratic Party in 1996 but decided after the election not to give soft money to the parties anymore but instead to fund an advocacy group that is promoting public financing of elections.

The point of the examples was to try to argue that wealthy donors are motivated by ideology and to benefit the

public as they see it, rather than the desire to gain access and influence with policymakers through their contributions. I suppose that could sometimes be the case.

Of course, there are other examples, including the candid story of the well-known incident of Mr. Roger Tamraz who testified under oath to our Governmental Affairs Committee that he never even votes and the only reason he gave soft money to the DNC was to gain access to officials he thought could help him with his business. It is my strong suspicion that Mr. Tamraz' motives, if not his methods, are more typical of big contributors than are those of Steve Forbes or the millionaires who funded Eugene McCarthy's campaign.

Mr. THOMAS. Regular order. I renew my objection that the debate is not germane.

The PRESIDING OFFICER. While the Chair continues to research the question, the Chair is not prepared to rule at this time. It will continue to research the question on the point of order.

Mrs. HUTCHISON. I don't think the Senator should be allowed to continue if there is a question that this violates Senate rules.

Mrs. BOXER. Mr. President, I don't think the Senator from Texas can rewrite the rules of the Senate. It is my understanding the Senator from Wisconsin has time. He has now been interrupted three or four times in what I consider to be a crucial presentation which gets to the heart of this amendment. I hope he can continue his remarks until the Chair has made a decision.

Mr. THOMAS. The Senator from California does not make precedent.

The PRESIDING OFFICER. The Senate will be in order.

Mrs. HUTCHISON. It is wrong. I think it borders on a personal attack on Senators who I think are doing something they think is in the best interest of this Nation.

Mr. FEINGOLD. Regular order.

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

Mr. FEINGOLD. I am shocked at the efforts of my colleagues to gag one of their colleagues who is trying to talk about a reality in this country that has occurred with regard to these campaign contributions that affect what we are doing on this amendment. The notion that somehow I should stop speaking while the Chair reviews the precedents is absurd. A Senator should be allowed to speak as long as he is permitted under the rules to do so, and there has been no such ruling otherwise.

Mrs. HUTCHISON. Mr. President, will the Senator—

Mrs. BOXER. Regular order.

Mr. FEINGOLD. I believe I have the floor.

Mrs. HUTCHISON. Will the Senator yield for a question?

Mr. FEINGOLD. I will not yield for a question at this point. I will later.

Mr. President, I am not cynical about this. There is a reason I hold suspicions about the motives of soft money donors. The reason is, a solid majority of soft money contributions to our political parties, as I mentioned before, comes from corporate interests. It simply cannot be argued that those interests are acting out of a public spiritedness or ideological conviction. Corporations do not have an ideology; they have business interests. They have a bottom line to defend. They have learned over the years that making contributions to the major political parties in this country is a very good investment in their bottom line. Unfortunately, too often campaign money buys access and access often pays off at the bottom line.

Corporate interests are special interests. Special interests have self-interested motives. They are concerned with profits, not only what is best for citizens or consumers or the country as a whole. They like to cast their arguments in terms of the public interest, and I am sure sometimes their beliefs are genuine. And they certainly will argue that if Congress follows their advice on legislation, the public will be better off. But in the end, it is their own businesses they most care of and not necessarily the broader public good.

Indeed, the boards of directors and management of corporations actually have a legal duty—this is not a criticism of the corporations at all—to act in the best interests of their shareholders. They are supposed to do that, not to think of the broader public at large.

Let me make it clear to those Senators concerned about my remarks, there is not a suggestion here that the corporations are acting illegally or suggesting that there is something wrong with corporations doing what they should can for their own interests. I have no illusions about it. It is OK with me that the corporate special interests are looking out for No. 1 in the public debate. But I must object, and object loudly and over and over again, when their deep pockets give them deep influence that ordinary Americans simply don't have.

Corporations with business before the Congress, not disinterested, public-spirited millionaires, and certainly not ordinary citizens, lead the way in soft money giving. One interesting set of contributors proves that access, not ideology, is the main reason for soft money donations. In the 1996 election cycle, 40 companies gave over \$150,000 to both political parties. Guess what. Three of those double-givers were the oil companies I have already mentioned here today. Double-givers, they give to both parties: Atlantic Richfield, Chevron, and Occidental Petroleum. They cover their bases. This is not always about choosing sides, but covering bases.

I suppose there might be some in the companies or in this body who argue

that the double-givers just want to assist the political process, that they are motivated not by the bottom line but by a keen desire to assist both parties in serving the public. If that is the case, why is it, in every Congress since I have been here, the industries most seriously affected by our work give huge contributions to Members and to the political parties?

In 1993–1994, it was the health care debate. Hospital insurance companies, drug companies, and doctors all opened up their wallets in an unprecedented way. In 1995 and 1996, the Telecommunications Act was under consideration, and, lo and behold, the local and long-distance companies and cable companies stepped up giving. In the last Congress—and this one, for that matter—we have been working on bankruptcy reform and financial services modernization. The biggest givers of all in the 1998 cycle, according to Common Cause research, was security and investment companies, insurance companies, banks, and lenders eager to have business interests protected or expanded.

What is going on here? I suggest this is not a spontaneous burst of civic virtue. Since we didn't finish work on the bills last year, the money is flowing again this year. It has even been suggested that sometimes the very Members of Congress who most want a big bill to pass will slow progress to keep the checks flowing in. That such a view of legislators and public servants has gained currency in the public debate, even if it is true, shows the depths of cynicism that this soft money system has inspired in those we represent.

Mr. President, the American people are not gullible or naive. They know that these companies contribute these enormous sums to the parties because their bottom line is affected by what the Congress does and they want to make sure the Congress will listen to them when they want to make their case. And they know that the big contributors get results. We are seeing another example of that here today.

And frankly, it's a two-way street. The parties are hitting up these donors because they know that most companies, unlike Monsanto and General Motors have announced early in 1997 that they would no longer make soft money donations—most companies don't have the courage to say no. Most companies are worried that if they don't ante up, their lobbyists won't get in the door. Our current campaign finance laws encourage old fashioned shakedowns, as long as they are done discreetly.

A growing number of business leaders are objecting to this system, and recognizing that it must be changed. The business group CED, the Committee for Economic Development, has come out for a ban on soft money, and I think we will see more and more business leaders embracing campaign finance reform in the future. An unhealthy democracy is not healthy for business.

It is beyond me how any Senator could support this soft money system.

In a few weeks, we will have a chance to vote on a bill that bans soft money. Senator MCCAIN and I are looking forward to that debate, and I want to thank the Senator from California for giving me the opportunity to talk about it this morning, as part of her fight against this ill-advised amendment to the Interior appropriations bill. If we can pass a soft money ban this year, perhaps there will be fewer of these special interest deals to contend with in the future.

Mr. President, I yield the floor.

Mr. THOMAS. Mr. President, I ask for the regular order. I insist on the point of order and insist on a ruling.

Mr. FEINGOLD. I yield the floor.

Ms. LANDRIEU. Mr. President, I wish to be recognized.

The PRESIDING OFFICER. The point of order is not sustained.

Mr. THOMAS. I appeal the ruling of the Chair and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. FEINGOLD. I suggest the absence of a quorum.

Mrs. BOXER. Absence of a quorum. Absence of a quorum.

The PRESIDING OFFICER. At the moment there is not a sufficient second.

Mr. FEINGOLD. I suggest the absence of a quorum.

Mrs. BOXER. Ask for a quorum call.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The legislative assistant proceeded to call the roll.

Mr. THOMAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMAS. Mr. President, I ask unanimous consent the pending appeal be laid aside to be called up by the majority leader.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Ms. LANDRIEU addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I am glad we can try now to get back on the central subject of this debate, which is so important to many people in our country and particularly to us in Louisiana because many of these oil companies reside in our State and most of the work in the production of oil and gas goes on off of our shore. So I have been actually anxious all morning to try to get some time on the floor to speak about this issue of royalty valuation.

But I just feel compelled to say how disappointed I am in my colleague from Wisconsin and the remarks he made, I think, directed to this issue and to be backed up by the Senator from California. To say that this issue, which is giving soft money contributions, "is at the heart"—quote—of this

debate, I think is really—it is offensive to the Members of the Senate on both sides of the aisle. It is particularly offensive to those of us who actually weren't supported by the oil and gas industry when we ran to get elected to the Senate but find ourselves having to speak on this issue of royalty valuation because of the principles involved, because of the facts involved, and because this is a very important principle at stake on this vote.

I also want to say, as the Senator from Wisconsin knows, I have been a strong supporter of campaign finance reform. So I am particularly offended by the way he made the remarks in the context of this debate and hope in the course of the next 5 or 6 or 7 hours that have been agreed to on both sides, we can stay focused on the oil royalty valuation and the issues regarding this because they are important.

So in that vein, let me just try to get us back to the subject at hand and remind all my colleagues what this debate is really all about because it is important.

It involves a lot of money. It involves a lot of businesses. It involves a lot of employees. It means a lot of jobs. It is about taxation, and that is always important to everyone involved.

The Minerals Management Service of the Department of the Interior is responsible, as has been made clear, for assessing and collecting royalties from oil and natural gas production from Federal lands, including the Outer Continental Shelf.

Federal laws that date back to 1920—and while those laws have been modified, the fundamental issue has not been changed since 1920—require that for the purposes of paying Federal royalties, the value of oil must be assessed at the lease. That is interpreted and has been interpreted to mean at the wellhead. It is at the lease.

These leases, as we know, are getting larger and farther from the shore. They are not just in the neighbor's backyard any longer. They are not just out on the rancher's property. They are hundreds of miles offshore.

The usual royalty rate for oil is one-eighth the value from land and deep sea and one-sixth the value of oil drawn from offshore leases. In 1988, oil and gas producers paid more—and I want the record to be clear about this—paid more, in 1 year, \$4.7 billion in Federal royalties and have paid more than \$40 billion in the last 10 years. In fact, I happen to know because of another bill that many of us have been working on, that since 1955, the oil companies have paid in rents, royalties, and bonuses \$120 billion.

The thought that the oil companies would balk or would reject paying another \$60 million is actually ludicrous because they paid \$4.7 billion last year and will probably pay a similar amount next year. While my colleagues continue to talk about the \$60 million figure, it is ludicrous that the oil companies that already pay this amount

would flinch actually at paying \$60 million more.

What is at issue is the principle of the way this is calculated. As we know, before it is sold, the oil is typically transported, processed, and marketed for sale. Each of these costs incurred must be subtracted from the purchase price in order to get back to the wellhead value. It is the determination of this wellhead value that can be complex and costly and lengthy, and many legitimate disputes have arisen about the correct method of valuation.

Some of these were addressed as part of the Oil and Gas Royalty Fairness Act enacted into law in 1996, but several other contentious issues remain. That is why we are debating this today. Both the industry and Government agreed that royalty valuation needed to be updated and simplified. When that law was passed to encourage simplification, the agency responsible for interpreting the law, instead of making a rule that is more simple, made it more complicated; they made it more complex. The new rule is not very transparent, and it is unworkable.

The industry is stating, and I believe they make a legitimate argument when they say: We do not mind paying our fair share, but we want the fair share we owe to be more clear so we can get out of the courtrooms. The issue today is whether we want to spend 5 months trying to work this out, which is what I am proposing we do, along with the Senator from Texas, or we want to spend 5 years in court at great cost to the taxpayers, at great cost to the industry, at the loss of jobs in many States throughout the Nation.

It simply makes no sense, and with all due respect to the Senator from Wisconsin, it has nothing to do, in my case and knowing the integrity of the Members of this Senate, with campaign finance reform or lack thereof. It has to do with the legitimate difference of opinion over an accounting rule. It is not an environmental issue. It is not a campaign finance issue. It is an issue regarding a complicated rule.

All we are asking is to take some more time to try to work it out so we can get out of the courtroom and get on to business because I think that is what the taxpayers of America want. I think the people in Louisiana, California, Wisconsin, and Texas want us to get back to work creating jobs and to get out of the courtrooms. This rule—as has been presented in great detail by the Senator from Oklahoma earlier and as posted on the chart that is up for display for all to see—is more complicated, not less.

It is as if the opponents, led by the Senator from California, seemingly are arguing that if a taxpayer—in this case it happens to be an oil company, but tomorrow it could be the taxpayer next door; tomorrow it could be your neighbor. If their taxes are audited and a discrepancy is found, which often happens, it would be similar to allowing the IRS to simply raise their tax rate. That is not fair. It is un-American.

I do not think there are many people in the United States who support that, but that is exactly what we are getting ready to do if we do not stop this rule from coming into effect. No agency should have the right to raise tax rates because of a legitimate difference over an auditing procedure that is very complicated. If that precedent is set, there is no taxpayer in this Nation safe from having their taxes raised by an agency. If we want to raise the royalty rate, then we should do it. If we want to raise the tax rate, this Congress should do it. We are setting a terrible precedent, allowing an agency to raise a tax rate based on a misinterpretation of a rule that is ill conceived and ill thought out and ill timed.

Also, with respect to my colleagues who have argued the other way, this is not only a bad principle to set and a rule that should not be adopted, but the timing could not be worse. The oil and gas industry, the domestic energy industry has just begun to recover from the last year and a half which saw oil prices fall to one of the lowest constant-dollar prices in history. We have been recovering over the last several months. But as you know, this is very volatile. The prices can go high; they can go low. Businesses open; they shut down. People are laid off. Savings accounts are used up. Industries and businesses go out of business and come back. So we are used to it, but it is still tough. To be acting this way at this time for an industry that is recovering—I do not know how much we want to push because 57 percent of all the oil and gas is now imported. That is up from 36 percent in 1974.

No. 1, we should not be badgering this industry at this time. We should be supporting them, particularly when they have a very legitimate request. They are not requesting to reduce the royalties they pay. They are not requesting their fair share to be delayed in any way. They are asking us, as we develop a rule, to help make the rule simple, transparent, and clear so they know what they owe and we know what they owe. We can then get out of the courtroom and get back to the business of running our Government. You yourself have been very sympathetic and very supportive and encouraging as we have attempted to create a real wildlife and land conservation trust fund for this Nation, which was promised and never delivered because the money goes into the general Treasury; it does not go into a real fund.

So many of us are working on that. That is why this issue is very important. That is why it is important we get this rule right and we get it straight. It is important that these royalties can flow into our Treasury and then, in turn, flow into a real account that some of us want to establish so we can fund tremendous environmental programs throughout this Nation, and so our States and our counties and our cities can count on these revenues to expand parks and recreation, which is important not only to

California and not only to Wisconsin but important to Illinois and to Louisiana and to Texas and to all the States and the people we represent.

So, yes, it is important to get it right. That is why some of us are taking some time on the floor to urge our colleagues to vote to not allow this complicated and ineffective rule to go into place but to give us the time to work it out so the oil companies can pay their fair share.

I also have to say I find it sort of odd, because the oil companies did not support me when I came to the Senate. I am feeling kind of odd about having to speak so strongly, but I think there have been things said on this floor that are offensive.

Just because they are big oil does not mean they are bad oil. Just because they are oil and gas does not mean they are not a legitimate, terrific business that is doing their business in a better, more environmentally sensitive way. They create thousands of jobs directly in my State and around this Nation. Without the work of the oil and gas industry, there would not be the lights lit in this Chamber; there would not be the factories operating; we would not have the clothes on our back.

So I take offense at others who come to the floor and talk about them as "thieves" or suggest that they would—they did not use the word "bribe," so I will be clear that is not what was said, but to infer that some companies would go so far.

We all know our system of campaign finance has to be changed and altered and improved. There is hardly anyone in this Chamber who does not agree with that. But as a Senator who represents this industry—and I represent all the people in my State. I represent the big companies and the little companies, the employees, the people who do not work for oil companies. That is my job. But I want to say on their behalf I am offended by some things I heard on the floor.

This is not a rip-off. This is not an intention to rip off the taxpayer. This is not an effort to steal school lunches from schoolchildren. This is a legitimate and complicated business, financial and accounting issue that should be resolved, not by the bureaucrats but by the Members of this body. So by postponing this rule, hopefully, the Members of Congress can come up with a better way, a clearer way to keep us out of court.

So I yield back the remainder of my time, if I can, to the Senator from Texas. I thank the Chair and hope we can stay on the central arguments of this issue because it is important, and I think all Senators should have the right to be heard on the pros and cons of the oil royalty valuation in the limited time we have and try to give the Senators an opportunity to speak on this important issue before the debate is shut off.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I thank my distinguished colleague from Louisiana. I think she said it very well. The idea that we would in any way impugn the integrity of anyone in the Senate on this issue is wrong. I do not believe that was meant, but I do think that it came across that way.

I am glad she spoke from her heart. I will, too. I had much the same experience. I had not remembered it because I do not count contributions, but I was not supported in the early stages when I first ran because I was running against an incumbent. That did not make any difference; I am representing all the people of Texas and doing what I think is right for America.

What I think is right for America is to keep jobs in America. Oil jobs are good jobs. Oil jobs are supporting families all over this country. What we are seeing is more and more jobs moving overseas. They are being lost by Americans and American families. That means we are not only losing jobs in the oil sector, but we are also, unfortunately, depending on imports for more and more of our basic oil needs in our country. We are getting ready to go into winter, and the last thing we need is higher prices on oil. The last thing we need is higher prices on gasoline at the pump. Yet if we do not pass this amendment, that is exactly what will happen. That is exactly what will happen. Every person in America is going to pay higher gasoline prices if we do not pass my amendment.

So I thank the Senator from Louisiana for her leadership, and her colleague, Senator BREAUX, for his leadership, in showing how important it is.

Senator BREAUX earlier made a point that I think is very important. It is shown by this chart. We all would like to have a simpler and fairer oil royalty tax on the oil industry so there isn't a dispute.

All the lawsuits that are being discussed are about disputes on how much is owed by oil companies. None of us want oil companies to cheat the American schoolchildren or the Indian tribes—none of us. We want the oil companies to pay their fair share. Part of the dispute is because it is so complicated. We would like to see a simpler system.

Unfortunately, what the Mineral Management Service has preliminarily proposed is this kind of trying to set oil royalty rates. Not only are they making you have to go through all these hoops, but they do not put out any kind of ruling letter that would allow an oil company, an independent producer to know what the precedent is. So that independent has to spend thousands, if not hundreds of thousands, of dollars every time there is a dispute to determine what they owe to the people of our country.

Now, Mr. President, I would like to—

Ms. LANDRIEU. Will the Senator yield for a moment?

Mrs. HUTCHISON. I will.

Ms. LANDRIEU. I would like to yield back the remainder of my time, under rule XXII, to Senator GORTON.

The PRESIDING OFFICER. The Senator has that right.

Ms. LANDRIEU. I thank the Senator for yielding.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. I thank the Senator from Louisiana for yielding that time to Senator GORTON, but I hope we will not need it. I hope the Senator from California will not continue to hold up the Senate in passing the very important Interior appropriations bill that is important to her State, to my State, and every State in our country.

We are now into dilatory tactics. We are now into prolonging something that is already accomplished. It is a matter of letting the Senate do its will. Sixty people in the Senate believe we need an up-or-down vote on this amendment. We are going to have an up-or-down vote on the amendment. I do not see a purpose, other than after an hour or so of legitimate debate—which I think the Senator has already received—of prolonging this. Particularly, I hope there will not be an attempt to prolong it with irrelevant and nongermane discussion.

So I am going to go back to the bill because I think it is very important. Our amendment seeks to simplify the rulemaking by the Mineral Management Service. This is what is proposed. Who can figure it out? No wonder there is a dispute between the oil companies and the Federal Government or the State government. If this is what the Federal Government is putting forward, it is not a precedent for anything. I do think we need to simplify.

The question is, Do we want to raise gas taxes? That is what the MMS would propose to do in this circuitous route.

I want to talk about where we are on the price of gasoline at the pump. Every American who fills up their tank knows that the price of gasoline has gone up. It is estimated that today the average price of gasoline in our country is about \$1.20 a gallon. Of that \$1.20, the light part of this chart shows how much is taxes—I am sorry, the light part shows how much is crude oil. The light part is 64 cents. That is the cost of crude oil in a gallon of gasoline. But the dark part is 56 cents, and that is taxes.

If the Senator from California succeeds in defeating my amendment, gas taxes are going to go up, because the MMS, with the circuitous route they are proposing, in fact, is going to tax the price of gasoline, not at the well-head, as it has always been and as is the standard in the industry, but instead, after it goes through the marketing process and through the pipelines, after it is transported, all of those costs will be included in what is



taxed. Basically, what the MMS is doing is raising taxes on every gallon of gas that is bought at the pump by every hard-working American. That is the essence of what will happen if my amendment fails.

The policy of taxing expenses in business is also something very new. I don't think a Federal agency should be able to change tax policy so we now start taxing expenses because that is exactly what happens. If we have the requirement that oil be marketed and transported and we raise the price accordingly and we tax that expense, we are talking about a whole new era. Instead of a Federal excise tax on a Beanie Baby being made when the Beanie Baby comes out of the manufacturing shop, it will be taxed on the retail shelf. That means every Beanie Baby that is marketed in this country and transported by truck to a building, where it can be sold at retail, is going to be taxed. You are going to have to pay the added tax in the price of that Beanie Baby.

The price is already going up. We are talking about a whole new concept that the MMS is trying to start with the oil industry, to set a precedent—no vote of any Member of Congress. Then we will see that start happening in other industries as well. It is a very dangerous precedent.

This chart shows what has happened to the price of gasoline at the pump in the last 10 years.

In 1990, the price of gasoline was about \$1.21 per gallon. That was the average price in 1990. Of that, 26 cents was gasoline taxes and 94 cents was the cost of the crude oil in that gasoline that was bought at the pump. Move down to 1997; the retail price has moved up to \$1.29. Look at what has happened to the costs. The costs have actually gone down. The cost of the oil in that gallon of gasoline has gone from 94 cents per gallon to 88 cents per gallon. So if that is the case, why has the price of gasoline at the pump gone up? It is because taxes have increased from 26 cents per gallon to 40 cents per gallon. That is why oil prices have gone up in the last 10 years.

The Senator from California wants to defeat my amendment, which will have the effect of raising the taxes on oil, which means every American is going to pay a higher tax than 40 cents per gallon. It is going to go up by however much MMS says. But if we start taxing the expenses of marketing and transportation, we could see 50 cents a gallon going into the price of gasoline at the pump and we could start looking at \$1.39 being the average price of gasoline per gallon.

I think it is very important that we look at where the price of oil has gone up and what is causing Americans to pay higher prices at the pump. Because we import 57 percent of the oil from foreign countries and because OPEC has now limited what they are going to produce, the price of the imported oil is also going up. So put added taxes,

which defeating my amendment will achieve, with the higher price of imported oil—you cause oil companies to stop drilling in America because it is now so expensive to do so, and it is going to be more expensive if my amendment fails—and you have the triple whammy. You have our jobs moving overseas, our dependency on foreign oil rising to 57 percent and continuing to go up, and the hard-working American paying higher prices for gasoline at the pump.

That is not a good solution. We should not be allowing Federal agencies to raise the price of gasoline at the pump by raising the price of oil, by taxing it at a higher rate, without so much as one vote by a Member of Congress who is accountable to the people.

If the Senators who want to defeat my amendment want to pass a tax increase up or down based on the principles they are espousing from the MMS, let them do it. Let them do it on a straight-up vote. Let them come to the Senate floor and defend raising gasoline taxes on every hard-working American. That is what the effect of defeating my amendment will be.

Why not do it straight up? I call on the Senators who are trying to defeat my amendment to say: OK, I want higher gasoline taxes; I want hard-working Americans to pay not \$1.20 or \$1.29 at the pump; I want them to pay \$1.39 or \$1.49. If that is their goal, let's address it straight on, because that is the effect of defeating the Hutchison-Domenici amendment.

I hope we can have a debate that is based on the issues affecting this amendment. Let's talk about raising gasoline prices on hard-working Americans who are seeing prices go up already. Let's talk about what will happen if we have a crisis in the Middle East and we have 5-hour gas lines and we have to pay higher prices to get the gasoline for which we wait 5 hours to fill our tanks. Let's talk about the real issue here, which is raising the price of gasoline at the pump on hard-working Americans.

I don't think that is what Congress wants to do. I think that is why 60 Members of Congress said let us have an up-or-down vote. That is the issue today, Mr. President.

I reserve the remainder of my time and suggest the absence of a quorum.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Texas withhold her quorum call?

Mrs. HUTCHISON. Mr. President, I am happy to allow the Senator to be recognized.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. I thank the Senator from Texas. I do look forward to this debate. We have, for the first time, a debate about this particular rider to an appropriations bill on the Senate floor, finally.

(Mr. BUNNING assumed the chair.)

Mrs. BOXER. The Hutchison rider has been agreed to many times in the

dead of night in the committee. But the Senate has never had time to explore all that it means. It is a tough debate going on here. I think it is good because, again, it shows, in many ways, the difference between the two parties, who stands for whom, where we come out.

I thought comments of the Senator from Wisconsin about the role of campaign contributions to the political parties, as he pointed it out, was germane. We may have a vote about that later. He is simply pointing out a fact that has been noted in the USA Today, the Los Angeles Times, the New York Times, which is that, in fact, campaign contributions taint this debate. Even if everybody is pure of heart and pure of soul in this Senate—and I pray that is the case—there is an appearance here. It doesn't look right when you realize that 5 percent of the oil companies—mostly big oil—are not paying their fair share of royalties.

We show it right here on the chart. The cost of the Hutchison amendment would represent \$66 million that would otherwise go to the taxpayers, to the Land and Water Conservation Fund, the national parks, historic monuments, and to the States to go into the classrooms. So it is very important that when these decisions are made, they are being made by the pure of heart because you have a situation where the oil companies are not paying their fair share—5 percent of the oil companies—and the people are therefore not getting their fair share to go into the classrooms and the national parks. Therefore, we want to make sure the decision is based on the facts, not on campaign contributions.

I thought the Senator from Wisconsin was absolutely brilliant in his discussion and laying down the facts that show these campaign contributions. I hope if we do have a vote on whether that is germane, we will, in fact, find that the Senator from Wisconsin can continue his remarks because I think it goes to the heart of the matter. So just to show why I have taken the time of the Senate on this, I want to look again at this chart, which I call "Big Oil's Big Rip Off." Because of this rider, we have lost \$66 million from the Treasury—excuse me, we have already lost \$88 million from the Treasury. Under this amendment, we lose another \$66 million. That would mean if this amendment passes, the total cost of the oil rider will be \$154 million to the taxpayers.

I find it really interesting—a couple of things that the Senator from Texas now says—that if we collect the fair share of royalties, we will see an increase in gasoline at the pump. Let me tell you why I find that really interesting. We have debated this issue for many years now, and we have heard every argument being used. It always changes.

The first argument as to why we should not allow Bruce Babbitt and the Interior Department to collect a fair

amount of royalties from the oil companies was that oil companies are being fair. Why, we are not cheating; we are paying the fair share. They argue that. That didn't fly. The newspapers didn't buy it. Nobody really bought it. So the next argument is, well, maybe there needs to be a clarification. Maybe what we are paying isn't exactly right. We don't admit that, but let's have a clarification. But we need more time. So let's not allow the Interior Department to decide this matter now; let's buy some time.

OK. Then they went to the third issue because that didn't fly very well anymore. The third excuse was that we haven't had enough public comment period on the rule. But go ahead and again open up public comment, and we will be glad to pay our fair share. Well, there were 17 meetings held, and then they opened up the public comment period again. We have heard every excuse in the world, bar none, as to why we should not be collecting the \$154 million that is due taxpayers. The latest one is: Oh, oh, you better not allow

Bruce Babbitt to go after those royalties because your prices will go up at the pump. Well, we know for a fact—if you look at the amount of money this means to the oil companies—it is a tiny percentage.

I ask unanimous consent to have printed in the RECORD at this point a chart that shows what these royalties mean to the big oil companies.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Company	1996 Total Revenue (Oil and Gas J.)	1996 Roy Paid (oil and cond.)	Percent of Royalty Paid Vs. Revenue	Potential Liability Under the Rule	Percent of Royalty Liability v. Revenue
Shell Total	\$29,151,000,000	\$213,008,437	0.73	\$19,459,159	0.07
Exxon Corp. USA, Total	134,249,000,000	154,531,037	0.12	7,993,222	0.01
Chevron USA, Inc. Total	43,893,000,000	159,611,684	0.36	7,111,509	0.02
Texaco Exploration & Prod. I Total	45,500,000,000	87,370,721	0.19	6,375,000	0.01
Marathon Oil Company Total	16,356,000,000	53,593,234	0.33	5,225,380	0.03
Mobile Explor. & Prod. U.S. Total	81,503,000,000	55,511,623	0.07	3,978,051	0.00
Conoco Inc. Total	20,579,000,000	30,562,431	0.15	2,444,738	0.01
Phillips Petroleum Co. Total	15,807,000,000	10,527,634	0.07	2,334,420	0.01
BP Exploration and Oil Inc. Total	17,165,000,000	46,819,366	0.27	2,138,002	0.01
Amerada Hess Corporation Total	8,929,711,000	12,271,849	0.14	1,446,901	0.02
Amoco Production Company Total	36,112,000,000	31,030,184	0.09	1,427,185	0.00
Pennzoil Products Co. Total	2,486,846,000	23,858,522	0.96	1,416,140	0.06
Unocal Exploration Total	9,599,000,000	36,205,793	0.38	1,358,282	0.01
Murphy Oil Company U.S.A. Total	2,022,176,000	16,445,805	0.81	778,351	0.04
Arco Western Energy Total	19,169,000,000	50,363,676	0.26	718,384	0.00
Coastal Oil & Gas Corporat Total	12,166,900,000	4,364,577	0.04	470,939	0.00
Total Petroleum, Inc.—Oil Total	34,526,000,000	3,059,110	0.01	364,045	0.00
Koch Oil Co. Total	Unavailable	3,214,012		342,222	
Fina Oil & Chemical Company Total	4,078,502,000	1,393,795	0.03	156,560	0.00
Hunt Oil Company Total	Unavailable	8,256,498		125,731	0
Howell Petroleum Corporation Total	712,501,000	1,581,010	0.22	122,669	0.02
Frontier Oil & Refining Co. Total	3,379,000	486,634	14.40	47,583	1.42
Giant Refining Company Total	Unavailable	945,403		46,854	1.42
Citgo Petroleum Corp. Total	Unavailable	600,941		45,755	
Navajo Crude Oil Mktg Co Total	Unavailable	2,598,096		45,063	
BHP Petroleum (Americas), I Total	135,180,000	6,266,511	4.64	34,020	0.03
Barrett Resources Corp. Total	202,572,000	306,239	0.15	32,719	0.02
ANR Production Total	Unavailable	402,039		13,801	
Petro Source Total	Unavailable	919,725		12,049	
Berry Petroleum Company Total	57,095,000	132,733	0.23	9,711	0.02
Sinclair Oil Corp. Total	Unavailable	181,480		5,949	
Ashland Exploration, Inc. Total	13,309,000,000	47,270	0.00	3,825	0.00
Big West Oil & Gas Inc. Total	Unavailable	1,877,664		3,415	
Sun Refining & Marketing Co. Total	Unavailable	73,075		2,683	
Pride Energy Company Total	Unavailable	113,116		2,389	
Cenex, Inc. Total	Unavailable	140,119		2,267	
Sunland Refining Corp. Total	Unavailable	4,034		1,919	
Diamond Shamrock Ref & Mktg Total	Unavailable	6,805		226	
Montana Refining Company Total	Unavailable	2,923		213	
Gary-Williams Energy Corp. Total	Unavailable	27,848		8	
Grand Total of 40 Companies				66,097,612	

Mrs. BOXER. The list that is going into the RECORD shows all of the big oil companies and what this really means for them. It is so small that these royalty payments, in some cases, can't even be measured. They are so minuscule, they can't even be measured. The largest one is .07 percent of their revenues. So to stand up here and say your oil prices are going to go up is ludicrous. It is completely a new argument that absolutely holds no weight. Even if they were to pass this on, it would not even be a penny a gallon. It would not even be a mill.

Let's face it; this isn't anything about higher gas prices because it doesn't even impact these companies. This isn't about any of that. It is about fairness; it is about justice. How do we know that it is about fairness and justice? The whistleblowers who work for big oil have testified. Let me tell you about something I have not even mentioned before in this debate. Recently, there was a lawsuit filed on behalf of two whistleblowers from big oil, and the lawsuit is quite compelling. It is so compelling that the Justice Department actually joined in as a party to the lawsuit.

I know we have heard many seven schemes. We have heard of the Seven Wonders of the World; the Seven Years' War; Seven Brides for Seven Brothers; the Seven Seas; Seventh Heaven; Seven Days of the Week; Seventh Inning Stretch—which is what we could probably use right now—Snow White and the Seven Dwarfs; Lucky Number Seven; Dance of the Seven Veils; the Seven Year Itch. How about even this biblical one: Forgive your enemies 70 times 7; Seven Hills of Rome; the Magnificent Seven; Seven Days in May; the Seven Percent Solution. There is even a book called "The Seven Habits of Highly Effective People"; Seven-Up. We have heard of 7-Eleven stores; Seven Samurai; Double-O Seven; there is even Seven Sleepers of Ephesus.

So we have heard a lot about sevens in history, and today on this floor of the Senate I am going to talk about another seven. This isn't a pretty one. This isn't a movie. This isn't a song. This isn't a saying. This is a lawsuit, a lawsuit that outlined the seven schemes of the oil companies—the seven schemes of the oil companies to defraud the taxpayers. I am going to speak to you from this lawsuit. I am

going to read to you right from this lawsuit. Before you fall asleep and think it is boring, it is not boring. These are two whistleblowers, former ARCO executives, big boys in the echelon, who cleansed their souls. This is what they said in a lawsuit under penalty of perjury:

Causes of action alleged herein arise from a nationwide conspiracy by some of the world's largest oil companies to shortchange the United States of America of hundreds of millions of dollars in revenues known as royalties.

Let me repeat that because this is the crux of what is before us today. Two whistleblowers from the highest echelons of the big oil companies stated under penalty of perjury that there is a "nationwide conspiracy by some of the world's largest oil companies to shortchange the United States of America of hundreds of millions of dollars in revenues known as royalties."

What does this amendment do? Why am I taking the Senate's time? I want to shine the light of truth on this issue.

The Department of the Interior knows this scam is going on, and they want to fix it. What we have before us is an amendment to stop the Interior

Department. You can see from the poster by my good friend from Texas. Now the argument is: Turn your sights on the Interior Department; they are corrupt. This is a new argument about trial lawyers. I haven't heard that one before. I guess they keep taking a poll to see who is popular, and then they try to argue with us because they cannot argue with us on the merits.

I think it is also very interesting because the Senator from Texas and the Senator from Wyoming tried to stop Senator FEINGOLD from talking about the oil company contributions. They are coming up with the trial lawyers. I find it is interesting. That is fine. I don't mind that. I wouldn't gag any of my colleagues. They can say whatever they want because the issue here is clear. It is stated in a lawsuit:

There is a nationwide conspiracy by some of the world's largest oil companies to short-change the United States of America of hundreds of millions of dollars in revenue known as royalties.

That is not a statement by trial lawyers; that is a statement under penalty of perjury by two former employees of big oil.

Let's see what else they say.

They say:

There is a pattern and a practice of carefully developed and coordinated schemes targeted to defraud the United States of America of its lawful share of royalties owed by the defendants, the oil companies, for crude oil produced in United States owned or controlled land.

In English language, it means that when these oil companies drill on lands that belong to the people of the United States of America, land of the United States, either onshore or offshore, they are not paying their royalties.

To continue:

The oil companies' unlawful conduct is continuing in nature and these major oil companies operating in the United States have underpaid oil royalties to the United States by calculating the royalties based on prices less than the total consideration actually received by the oil companies.

In English language, these royalties are not being based on the fair market price, which is what they have to be, according to the lease they sign. Let's take a look at that lease they signed because I think that is pretty telling.

The Senator from Texas keeps referring to a royalty as a tax. A royalty is not a tax. A royalty is paid subject to an agreement. When oil companies drill on lands that belong to "we, the people," they have to pay something for it. It is a privilege, and they have to pay something for it. The "something" that they pay for is the subject of this debate.

The Department of the Interior says—and these whistleblowers say—that 5 percent of the oil companies are cheating and 95 percent are doing the right thing. They are paying the fair market value—their royalty is based on a fair market value—but 5 percent of the companies that are cheating us are not. We know that to be the case.

So let's look at the agreement that the oil companies signed. They signed

an agreement that says the value of production for purposes of computing royalty on production shall never be less than the fair market value of the production. It further says gas of all kinds, except helium, is subject to royalties and that, for purposes of computing, the royalty from this lease shall never be less than the fair market value of production.

That is the subject of this debate. Five percent of the oil companies are not paying the fair market value.

Let's look at some of the companies and the posted prices.

Whistleblowers have told us that these oil company executives sit around and plan to defraud the people. It is all in this lawsuit, and it is reflected in this chart. If you track the market price of oil—right here we have done that—from July 1997 to June 1998, just to give you an example, this blue line is the market price.

How do we know the market price? It is listed in oil publications every day. We know what it is. It is really definable. If you track that market price compared with this red line, which is the ARCO posted price—in other words, that is the price ARCO decided to pay royalties on—what do you see? You see a differential of about \$4 per barrel. Sometimes it is less—\$2. But it can go up to \$4 or \$5 in difference. What does that mean? It means that the taxpayers are being defrauded by this amount in the middle, in between the two.

Do we have another oil company? It just doesn't happen in ARCO. I don't want to say it just happens in ARCO.

Here we have another oil company. We track the market prices and the posted prices. Isn't it amazing? Why is it this way? Because these companies are cheating the Government. They are not paying the royalties based on the blue line, which is the market price, which they have to, according to the agreement they signed. This isn't about taxes, my friends. This is a royalty agreement. They are paying the royalty based on the red line, and the taxpayers are getting ripped off.

You may say, well, what is \$4 a barrel with \$2 to \$4 on a regular basis? It is a lot. Let me tell you what it is. We are not talking about peanuts; we are talking about real dollars. Let's talk about that.

This amendment that is before us today, on which the Senator from Texas, Mrs. HUTCHISON, got 60 votes—just the amount she needed, and not 1 vote to spare to bring this amendment to the floor—is about real dollars, \$66 million. What can you do with \$66 million?

By the way, that is only 1 year. If this continues, we are looking at \$1/2 billion pretty soon, and \$1 billion after that.

Let's take 1 year for this particular amendment, \$66 million. We could have hired 1,000 teachers with that. We know we need more teachers in the classroom. These royalty payments, when

they go to the States, are used in the classroom. Anyone who talks about how we need more money for education, we could hire 1,000 teachers with the \$66 million.

Maybe you don't want to hire teachers. Maybe you want to improve the schools. We can put 44,000 new computers in the classroom with \$66 million. That is just this year. Or we can buy textbooks for 1.2 million students.

Have you ever looked at some of the textbooks in our public schools? When I was a kid and I got a textbook—it was a long time ago; I plead guilty to that—when we opened up a textbook in those happy days, it smelled clean and fresh. It was clean and fresh. It was ours. Today, some of the textbooks have writing; they are old; they are falling apart. What kind of message is that?

I could be challenged: Why is the Senator from California talking about schools, textbooks, and teachers? Easy. The money we would get if we defeat the Hutchison amendment could buy 1.2 million students new textbooks.

If you want to do something for the safety net with that \$66 million, we could provide 53 million hot lunches for schoolchildren, lunches that have more than ketchup, I might say; lunches with nourishment, nutrition. We know a lot of our kids need that.

When these oil companies sit around and plot to defraud the government—and we have it here, under penalty of perjury, that that is what they do with seven schemes. We have the schemes outlined. Later in the debate I will get into exactly what are the seven schemes. Essentially, all seven are schemes to lower the value of the oil that is pumped from Federal lands. They have intricate ways of doing that. It is spelled out right here. I will read a little more from this complaint.

These whistleblowers, who were former executives high up in the chain of big oil, say:

...they have knowledge of the unlawful conduct, including the schemes and the practices alleged herein, which include the oil company's misrepresentation and underpayment of oil royalty payments to the United States.

They go through the schemes. Does anyone want to challenge the authenticity of these charges from these whistleblowers, former oil executives, who say they have "direct knowledge that this is going on." They call it "conspiratorial activities" to cheat the United States out of its royalty income by deflating the base price of oil upon which royalties are to be paid.

This is thievery. People say: Why are you taking the time of the Senate, Senator BOXER? It is because I love this place too much to see us put our imprimatur on this scheme.

Let's read directly from the Platt's Oil article that shows exactly what one of these executives said under penalty of perjury. This is an article that appeared over the summer of this year in an oil company report. This isn't from

the New York Times. We have gotten a good article from the New York Times. We have gotten good articles from USA Today and the Los Angeles Times. We have gotten good articles in South Dakota; we have gotten good articles in Michigan. All of those editorials are saying Senator BOXER is right.

This is from an oil company newspaper, so it should have total credibility with all who take the oil company's side. I will read this article entitled "Retired ARCO Employee Says Company Underpaid Oil Royalties."

A retired Atlantic Richfield employee has admitted in court that while he was the secretary of ARCO's crude pricing committee, the major's posted prices were far below the fair market value.

Let me repeat that. An oil company executive who worked in this area said that the "posted prices"—that is, the price that the oil company paid the royalty on—was "far below the fair market value."

Let's look at the chart again. He is saying the amount they paid their royalties on—remember, the royalty is a percentage, about 12 percent if it is onshore, 12 percent of the fair market value. They did 12 percent of their made-up posted price.

He is not anonymous. This man has a name. He has put his good name out there. He has said under penalty of perjury in court that what he says is true. Harry Anderson is his name. He testified this month in an ongoing suit, and he said he was a witness to the inner workings of ARCO. According to court documents, Anderson testified that the primary purpose of the crude pricing committee was to set the posted prices for the mid-continent, Alaskan and California crudes. In other words, it was his job to decide what was the posted price. On that posted price, they would pay their royalties. Whatever Mr. Anderson and his friends decided was that fair market value called the posted price, that is on what they would pay the royalties.

This chart shows consistently these prices were below the market price listed in the paper. Could this be an accident? No, because he said ARCO's postings were within 15 to 30 cents per barrel of the others, and at least \$4 to \$5 below what was accepted as fair market value for crude.

What he said was all of the majors were doing this. This 5 percent that we say are doing the wrong thing were within a few cents of each other, and all of them, according to him, were \$4 to \$5 below the fair market price. That is even more than we said, \$2 to \$4. He says in a certain period of time they were \$4 to \$5 below market price.

Under penalty of perjury, a man with the inside knowledge of what was going on, said that ARCO and the other "posters"—meaning the posted price people—never raised the posted price to the market value. We see that is true. We plotted the market price during that period and here is the posted price. He says all of our calculations,

all the public information on refined values relating to California crudes say the fair market value was well in excess of the posting.

That is another way of putting it: The fair market value was well in excess; it was more than the posted prices that they put down.

He said, and this is really interesting, he was:

... not being truthful 5 years ago when he testified in a deposition that ARCO's posted prices represented fair market value.

So the man admits that he wasn't truthful before in court. He is cleansing his soul and he is now telling the truth. He goes on to say, and this is chilling, in explanation for why he lied about the fair market value:

I was an ARCO employee. Some of the issues being discussed were still being litigated.

Listen to this. He says:

My plan was to get to retirement. We had seen numerous occasions where the nail that stood up got beaten down.

What does that mean? Someone who had the courage to stand up in the face of the higher-ups and tell the truth that they were cheating taxpayers got beaten down. Harry Anderson said that. It is pretty chilling. He goes on. He said:

The senior executives of ARCO had the judgment that they would take the money, accrue for the day of judgment, and that's what we did.

What does he mean by that, "take the money" and wait "for the day of judgment?"

What he means is they would lie about the value of the oil, not give the true market value, pay less of a royalty, pocket the money, and wait for the judgment day.

Maybe the judgment day is here, I say to my friends. Maybe if this Senate has some courage, we can stop this fraud today. We will not be stopping it if we approve the Hutchison amendment. I will say that. Mr. Anderson said he was afraid he would lose his retirement if he didn't go along with the game. Mr. Anderson said the other executives said: What the heck, we'll just lie about this and we'll wait for the judgment day. That is a translation of what he said. He goes on to say even more chilling things. He goes on to say:

I would not have been there in any capacity had I continued to exercise the right they had given me to dissent to the process during the discussion stage.

Let me repeat that:

I would not have been there in any capacity had I continued to exercise the right they had given me to dissent to the process during the discussion stage.

In other words, Mr. Anderson is saying if I blew the whistle, I would be gone. If I did not go along with this scheme—and we now know seven schemes—that he would be gone. He says further:

Once we made our decisions, the ranks closed.

So they sat around, decided to wait for the judgment day, and people like

Harry Anderson who were afraid for their retirement went along with the scheme. Then he says: Once we made our decision we closed ranks. That was the deal.

He says further:

I did not get to be a manager and remain a manager being oblivious and blind to signals.

What an ethic. What an ethic. Where is the corporate responsibility, when they have someone who is honest in their ranks and he is afraid to talk because he will get fired, he won't get his retirement? When he talks up about how the company underpaid oil royalties, he is finished. So he doesn't talk up. And he is feeling guilty and he is carrying this on his back. He comes clean in a lawsuit where he just says: I was afraid of losing my job if I told the truth.

We are going to protect that kind of behavior by the oil companies by voting for this amendment? I pray not. I pray not. I really hope some of the folks who voted for cloture to bring this debate to a close will join me on the substance of this thing. I have never in all my years in politics—and I have been in politics so long I am embarrassed to tell you that I was elected the first time in 1976. I have seen a lot of things. I have seen issues that were cloudy. I have seen issues where the line between right and wrong was fudged. They say every issue has two sides. This one does. The oil companies versus the people. That is the two sides.

The Interior Department wants to make sure the oil companies pay their fair share so the people get their fair share. We will show you the money again; the money, what is at stake here. If we do not vote down the Hutchison amendment, the people of America will have lost \$154 million.

Let's suppose you do not even like to spend it on national parks; you don't want to spend it in classrooms. How about paying down the debt? I will bet a lot of folks think that is a good idea. But, no, if we vote for the Hutchison amendment, we lose a cumulative \$154 million.

I want to read into the RECORD a letter I just received from the Consumer Federation of America. First, I want to say a word about the groups that have really worked hard to defeat this Hutchison amendment. I just told you before there are two sides on this amendment: the oil companies versus the people of the United States of America. I believe that in my heart. We have over 50 groups that are helping us defeat this amendment. Every one of them is worthy of mention, but I do not have time at this point to mention them all, so I will mention some of them:

The American Association of Educational Service Agencies—they know they are being robbed of education funds by this amendment. They oppose it. The American Association of School Administrators, the American Federation of Government Employees, the

American Federation of Teachers—they have to be in the classrooms with the books that don't measure up, without computers. They want to fight for this. They are against the Hutchison amendment.

American Rivers, Americans for Clean Energy, the Arkansas State Lands Commission, the California State Superintendent of Public Instruction, the Clean Fuels Foundation, Common Cause. Common Cause understands what is at stake here. They agree with Senator FEINGOLD when he stood up—and they tried to gag him when he said there is a tie-in between this amendment and the campaign finances where big special interests like the tobacco companies, the oil companies, you name it, have an incredible amount of influence. Again, even if everyone was pure of heart it looks terrible to see the special interests win on these.

The Better Government Association is with us, the Colorado State Board of Land Commissioners, the Consumer Project on Technology—they know they need technology in schools—Defenders of Wildlife. It is an incredible list. The Friends of the Earth, the Gray Panthers—they are the elderly. They understand we need to support our parks and our kids and our schools; the Montana Department of Natural Resources and Conservation.

I am just on the M's, and this goes all the way to the W's.

I want to comment on one of the organizations that has worked so hard with me and others on this, U.S. Public Interest Research Group, U.S. PIRG. They have worked very diligently talking with colleagues, and we have kept this fight alive because of these people. We have kept this fight on the front pages of some of the newspapers because of these people. Hopefully, tonight we will see it on TV.

The Washington State Lands Commissioner; the Wilderness Society; the Wisconsin Secretary of State and Chair, Board of Commissioners of Public Lands—this is an incredible list. I left out the N's and the P's, and I will have to get back to them later.

Today, I have a new letter from the Consumer Federation of America. Let me read it. This is one of the foremost consumer groups in the country. I have to say it is now headed by a beloved colleague, Howard Metzenbaum, who served here as the voice of the consumers for so long, the voice for the people who do not have a voice, the voice for the people who have to get up in the morning and go to work, the people who cannot afford to send their lobbyists here and the people who cannot afford campaign contributions.

What does he say in this letter?

The Consumer Federation of America joins you in opposing the Hutchison-Domenici rider to [this bill]. [The organization] is concerned about the decline in accountability of many corporations to the needs and concerns of consumers, communities, and national interests. This rider is a case study in this lack of accountability, not to mention an unjusti-

fied subsidy by the taxpayers to the [big] oil companies.

According to the Department of Interior, eighteen oil companies have consistently undervalued the cost of oil drilled on federal land to avoid paying [their royalty payments] of about \$66 million a year.

He goes on to say we have already lost \$88 million and that this amendment of Senator HUTCHISON will, in fact, delay the Department of the Interior—even a better word—"prohibit the Department of Interior from finalizing their regulations" to require the oil companies to pay their royalties based on the fair market price of the oil, not on a lower price established by the oil companies themselves.

Howard Metzenbaum said it as straight as one can. They are paying royalties on their made-up price rather than on the market price.

He goes on to say that the Consumer Federation of America opposes this rider for two reasons.

One:

The undervaluation of oil drilled on Federal land amounts to nothing more than corporate welfare. The practice represents an unjustified subsidy, especially to the larger oil companies that are in a position to reap huge returns from oil drilled on Federal land.

Second:

Taxpayers must pick up the tab for this subsidy, to the tune of tens of millions of dollars a year.

He goes on to say:

The Consumer Federation of America applauds you for your efforts to insure that taxpayers receive a fair return from federal oil sales.

Mr. President, I ask unanimous consent that this letter be printed in the RECORD, along with a list of groups that are, in fact, opposing the Hutchison amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONSUMER FEDERATION OF AMERICA,  
Washington, DC, September 23, 1999.

Re Urgent! CFA opposes Hutchison-Domenici oil royalty rider.

Hon. BARBARA BOXER,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR BOXER: The Consumer Federation of America (CFA) joins you in opposing the Hutchison-Domenici rider to the FY 2000 Department of Interior Appropriations bill. CFA is concerned about the decline in accountability of many corporations to the needs and concerns of consumers, communities, and national interests. This rider is a case study in this lack of accountability, not to mention an unjustified subsidy by the taxpayers to large oil companies.

According to the Department of Interior, eighteen oil companies have consistently undervalued the cost of oil drilled on federal land and avoided paying fees of about \$66 million a year. Since this rider first took effect last year, an estimated \$88 million in royalties have not been collected. This rider would prohibit the Department of Interior from finalizing regulations that would require oil companies to pay royalties based on the market price of oil drilled on federal land, and not on a lower price established by the oil companies themselves.

CFA opposes this rider for two primary reasons:

The undervaluation of oil drilled on Federal land amounts to nothing more than corporate welfare. The practice represents an unjustified subsidy, especially to the larger oil companies that are in a position to reap huge returns from oil drilled on Federal land.

Taxpayers must pick up the tab for this subsidy, to the tune of tens of millions of dollars a year.

CFA applauds you for your efforts to insure that taxpayers receive a fair return from federal oil sales.

Sincerely,

HOWARD H. METZENBAUM.  
Senator (Ret.).

OPPOSITION TO MORATORIUM HITS A GUSHER:  
MILLIONS AGREE BIG OIL SHOULD PAY FAIR SHARE

(Revised August 3, 1999)

Senator Kay Bailey Hutchison (R-TX) has vowed to re-attach an amendment known as the oil royalty moratorium to the Department of Interior appropriations bill in the coming days. The moratorium would stop Interior from implementing a rule that prevents royalty-evasion by 40 of the largest oil companies drilling on federal and Indian lands. A growing coalition of educational, taxpayer, conservation, native American and labor organizations as well as state governments agree with Interior that Big Oil should pay its fair share.

American Assn of Educational Service Agencies  
American Association of School Administrators  
American Federation of Government Employees (AFGE), AFL-CIO  
American Federation of State, County and Municipal Employees (AFSCME)  
American Federation of Teachers  
American Lands Alliance  
American Oceans Campaign  
American Rivers  
American Wind Energy Association  
Americans for Clean Energy  
Arkansas State Lands Commission  
Better Government Association  
California State Lands Commission  
Calif. State Superintendent of Public Instruction  
Clean Fuels Foundation  
Colorado State Board of Land Commissioners  
Common Cause  
Consumer Project on Technology  
Council of Chief State School Officers  
Defenders of Wildlife  
EarthJustice Legal Defense Fund  
Endangered Species Coalition  
Federation of Western Outdoor Clubs  
Friends of the Earth  
Fund for Constitutional Government  
Government Accountability Project  
Gray Panthers  
Greenpeace  
Mineral Policy Center  
Montana Department of Natural Resources and Conservation  
National Assn of State Boards of Education  
National Audubon Society  
National Education Association  
National Environmental Trust  
National Parent-Teachers Association (PTA)  
National Parks and Conservation Association  
National Rural Education Association  
National School Boards Association  
National Trust for Historic Preservation  
National Wildlife Federation  
Native American Rights Fund  
Natural Resources Defense Council  
The Navajo Nation  
New Mexico State Lands Commissioner  
North Dakota Commissioner of University and School Lands

Ozone Action  
 Pacific Rivers Council  
 Paper Allied Industrial Chemical and Energy Workers (PACE)  
 Physicians for Social Responsibility  
 Preamble Center  
 Project On Government Oversight  
 Public Citizen's Congress Watch  
 Public Citizen's Critical Mass Energy Project  
 Public Employees for Environmental Responsibility  
 Safe Energy Communication Council  
 Service Employees International Union  
 Sierra Club  
 South Dakota Commissioner of Schools and Public Lands  
 Southern Utah Wilderness Association  
 SUN DAY Campaign  
 Taxpayers for Common Sense  
 Texas State Lands Commissioner  
 Trout Unlimited  
 20/20 Vision  
 UNITE, Union of Needletrades, Industrial & Textile Employees  
 United Electrical, Radio & Machine Workers of America  
 United for a Fair Economy  
 U.S. Public Interest Research Group  
 Washington State Lands Commissioner  
 Wilderness Society  
 Wisconsin Secretary of State and Chair, Board of Commissioners of Public Lands  
 World Wildlife Fund

Mrs. BOXER. Mr. President, we are in quite a situation here, and I am going to go through some of the charts I have not gone through up to this time.

When we talk about the money we will lose because of the Hutchison amendment—and I find it ironic we are doing an appropriations bill to appropriate money for the various functions therein, including national parks, including very important functions, such as preserving historic monuments—we realize we are losing \$66 million, and I told you that money can go pretty far. It will affect many States.

My staff has been extraordinary in terms of all the research and all the work they have put into this issue. I thank Jodi Linker, Matthew Baumgart, and the rest of my staff, and Liz Tankersley and Dave Sandretti who helped us. When you are hit with an issue such as this and you know you have an uphill battle, it takes a good staff to keep on keeping on, to keep on keeping up with the issues, and they do. I am so grateful to them.

Today I have a new chart. It shows the 11 most endangered historic sites in America. What is very interesting about this is that these buildings qualify for Federal funds to preserve them. As we go into the next millennium, we start thinking about our heritage, our great Nation. One of the things we have to do is restore these incredible monuments to our history. There are 11 of them. They desperately are seeking, not Susan, but funding. They must have funding because they are old and they will otherwise fall apart.

I was at one such monument. It is not 1 of the 11 great ones. It is a small one. But it is in a little town north of my home, Sonoma County. It is a round barn. I never really knew what a round barn was, but it is famous. In the

1800s, they used to take the horses and run them around in this barn. We only have a couple left in California. This one is falling apart. It needs a few dollars. So when people say \$66 million, let's look at these 11.

The Senator from Illinois is here, and I point out to him that one of these endangered landmarks, as I remember, is in Illinois. I wonder if he realizes—and I know he does—that some of this funding that would otherwise go to the Interior Department and we are not going to see if the Hutchison amendment is adopted could go to help one of the monuments in his State, which is the Pullman Administration Building and factory complex, in Pullman, IL, which dates back to 1890.

All of these are very endangered. We see one in Rochester, NY, the Monroe Theater. We see one in Louisville, KY, a beautiful place called Robinswood. We see one in Cleveland, MT, Lancaster, PA, barn shadow, "Lost Barn." We see the Allen Auditorium in Alaska and, in my own State, the incredible Angel Island Immigration Station through which many of our ancestors came. In New York State, there are four national historic landmark hospitals. There is one in Hudson Valley. It is a beautiful one. One is in Baltimore, west side of downtown Baltimore, Chinatown. It is endangered.

I say to my colleagues, when we are fighting against this amendment, we are, in fact, saying it is not fair for 5 percent of the oil companies to do the wrong thing, to defraud the people of the United States of America of their money; it is wrong to do that.

There are other uses for this money. We believe even if all those uses did not have support, paying down the debt would be better than allowing this big ripoff to continue.

Mr. President, I yield the floor and retain my time.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 1 hour.

Mr. DURBIN. I thank the Chair.

Mr. President, I thank the Senator from California, again, for engaging in this debate. There are those who stay glued to their screens watching the Senate debate from early morning to late at night.

The PRESIDING OFFICER. If the Senator from Illinois will pardon the Chair, I misstated. The Senator has 22 minutes.

Mr. DURBIN. I thank the Chair.

Those who stay glued to the screens watching C-SPAN and the Senate debate know what this is all about. Those who come to the gallery or tune in may not understand why we are on the floor today with a few Members very deeply involved in debate.

This is a debate over the use of America's public lands, lands owned by all of us as citizens of the United

States. We have a lot of them, literally millions of acres. Some of them are beautiful, pristine parks, and some are national forests.

Many of these lands are used for a variety of purposes. Some are used for recreational and tourism purposes, our beautiful National Park System which was instituted by a famous Republican President, Theodore Roosevelt, who opened Yosemite National Park and started the park system, and many other aspects such as the National Forest System, of which we have in Illinois the Shawnee National Forest, one of the more beautiful parts of our State. We are very proud of it.

Then as you go out West, you find a variety of public lands. I am the sponsor of a bill, on which perhaps a dozen of my colleagues have joined me, for the so-called Utah Wilderness, an area much different from my national forest in southern Illinois, but as a desert, in its own way, it has a special beauty. It is a wilderness area owned by the Federal Government.

We say that many areas of public land are going to be protected, that literally no one can use them, or, if you do, it is in a very careful manner. But we say as well that there are some lands which can be used, public lands, by private individuals and companies for a fee. So we invite onto some lands, like national forests, logging companies that come in and chop down trees. They make a profit off the lumber. They give money to the Federal Government to use that land to chop those trees down.

We also allow mining companies to come in on public land to mine for minerals which they turn around and sell. We say to western ranchers: You can let your cattle graze on public lands here, chew the grass, get fat to bring to market to make you a profit. You will pay us a fee to do it, but you are welcome to use the land.

This debate is about the use of public lands where oil companies come in and drill for oil. Keep it in perspective. The oil companies do not own the land. We do. The taxpayers do. The oil companies—private companies—come in and bid for the right to drill for oil. If they are fortunate and find oil they can then sell for a profit, they give us back a rental fee called a royalty. That is what this debate is all about. It is about 5 percent of the oil companies in America, the largest oil companies, and whether they will pay to us, as taxpayers, to the Federal Government, a fair rental payment, a royalty payment for extracting oil from our land and selling it for a profit.

Sounds like a pretty simple undertaking. We put a formula into law. The formula said: We are going to base the royalty that you pay the taxpayers for drilling oil on public lands based on what the price of the oil is. It sounds eminently sensible, reasonable, and easy. It is not. We found, over the last several years, that the oil companies have found ways to avoid coming up



with the real price of the oil. They have six or seven different schemes they use to basically pay less to the taxpayers than they are supposed to pay.

How can I say that? I can say it because a lot of States and the Federal Government have taken the oil companies to court and have said they did not pay the royalty required by law. The oil companies, over several years, have paid back \$5 billion that was underpaid in royalties. We caught them with their hands in the cookie jar. They had not paid the taxpayers—State and Federal taxpayers—what they were required to pay under the law.

The amendment before us by the Senator from Texas, Mrs. HUTCHISON, says, the Department of the Interior cannot recalculate this royalty fee based on the new prices of oil. It would be the fourth time in several years that we stopped the Interior Department from recalculating the royalty. In other words, we are saying we do not care if the oil companies owe us more money, we are not going to collect it.

How much is it worth to us, to the taxpayers? It is \$5.6 million per month. Some watching this will say: For goodness' sake, don't they lose that on the floor of the Treasury when they are mopping up at night? And \$5.6 million a month, that isn't much by Federal standards where you talk about trillions and billions.

They have a point. But for the average person, the average family, the average business, \$66 million a year is real money, real money that the oil companies should pay us and are not paying us and will not pay us if the Hutchison amendment passes because the Hutchison amendment insulates the oil companies from this recalculation of the royalty that they pay. Why? Why in the world would we take the oil companies and do this?

If this were the Little Sisters of the Poor about to have their mortgage foreclosed on their convent, for goodness' sake, count me in. I will be ready to consider an amendment. We are talking about the largest oil companies in the world. They are being protected by this amendment. I think it is a bit unseemly, if you will, for these oil companies to come on our land—not their land—drill oil, an irreplaceable resource, sell it for a profit, and refuse to pay the taxpayers what they owe them for being on this land. That is what this amendment does.

Mrs. BOXER. Will the Senate yield on that point?

Mr. DURBIN. I am happy to yield to the Senator from California.

Mrs. BOXER. I appreciate the Senator's outrage on this.

It is incredible. Some of our colleagues have come up and said things privately such as: I can't believe you're attacking these oil companies.

I want to make a point and make sure my friend saw this. I read from a complaint that was filed by two whis-

tleblowers from big oil—ARCO, as it happens. In their words—these are not words from the Senator from Illinois or words from the Senator from California, who has been told she doesn't know what she is talking about. If I don't, I believe people who have worked in the oil companies for many years. I want to make sure my friend has heard this. I am going to read to him a little piece of the introduction to this complaint and ask him if he has read it before, and even though he might not have, if he could comment on it.

This is an introduction to a lawsuit being filed by two whistleblowers. These are two people who worked for ARCO, big executives in ARCO, who had in their heart, I think—these are my words, not theirs—the need to tell the truth about what went on inside those corporate walls. This is what they say. They say:

[There was] a nationwide conspiracy by some of the world's largest oil companies to shortchange the United States of America of hundreds of millions of dollars in revenues—known as royalties—derived from the production of crude oil . . .

They go on to say:

[There was] a pattern and practice of carefully developed and coordinated schemes—

They outline seven schemes—

targeted to defraud the United States of its lawful share of oil royalties . . .

They go on to say: "This is an ongoing conspiracy."

So I ask my friend this direct question: about his outrage he exhibits on this floor. Isn't there a reason for anyone with a set of eyes and a brain to match to be outraged when not just one whistleblower but two and three and four and more people who got high-paid salaries admit that they sat around and defrauded the taxpayers, and that this amendment would allow that outrage to continue—does that not reflect my friend's views?

Mr. DURBIN. It does. I say further that it is a matter of whether or not we are going to be Uncle Sam or "Uncle Sucker." Think about these oil companies. We are talking about \$66 million a year.

Let me tell you, it is a bit unseemly for these oil companies to be fighting over \$66 million a year, owed to the taxpayers, to come in and to support an amendment which insulates them from paying \$66 million to the taxpayers.

Let me give you an idea why I think it is unseemly. And I agree with the Senator from California. Let's take a look at the oil companies involved. As I have said, you are not going to find the Little Sisters of the Poor Petroleum Company here.

No. 1, Shell Oil Company. The total revenues of Shell Oil Company in 1996 were \$29 billion. Exxon Corporation, \$134 billion; Chevron, \$43 billion; Texaco, \$45 billion; Marathon, \$16 billion; Mobil, \$81 billion; Conoco, \$20 billion. The list goes on and on.

The reason I read those—and there are many more—you would recognize

every name on the list. You know these companies. You have seen their gas stations. You have seen their stock printed in the paper. They have huge worldwide sales. And these multi-billion-dollar huge companies refuse to pay us, the taxpayers, Uncle Sam, America, a fair royalty, a fair rental payment for drilling oil on our land and selling it for their profit.

Can we conclude that these companies are in such perilous financial condition that \$66 million would break the bank? Let me tell you, the royalty which they are refusing to pay, the royalty which this amendment insulates them from paying, represents, in every instance, less than one-tenth of 1 percent of the revenue of each of the companies—less than one-tenth of 1 percent, sometimes even smaller amounts.

Why in the world are we fighting this battle? Profitable companies, multi-billion-dollar companies, coming on our land, drilling oil for their profit, have to come to the Senate to put on an amendment to insulate them from paying their fair rental, their fair royalty for drilling oil? There are those who say: For goodness sakes, Senators, aren't there some other things you could debate? Yes, I suppose. When it gets down to it, the money, in the scheme of a \$1.7 trillion national budget, may get lost, \$66 million a year, \$5.6 million a month. But there is something that won't get lost. That is the simple justice of this debate, a question of fairness, a question of common sense.

As much as those on the other side would like to obfuscate this issue and tell us it is certainly so complicated, beyond the ken and mind of any Member of the Senate, they are just plain wrong. We have received correspondence from the Secretary of the Interior. We have seen editorial support in USA Today, the Los Angeles Times, articles in the Wall Street Journal, learned, expert people who have said this is pretty simple. This is a rip-off for American taxpayers.

I have to say to the Senator from California, I am glad she is waging this battle, as uncomfortable as it may be to my colleagues in the Senate, to try, once and for all, to say that if we are going to hold individual Americans, families, and businesses responsible for their tax liability on April 15, then, for goodness sakes, these multi-billion-dollar oil companies should pay their fair share under the law for drilling oil on our land. They have been tested in court time and again and found guilty. Whistleblowers have come forward. Yet this amendment, the Hutchison amendment, will perpetuate this rip-off.

I know some will argue that there are other issues of importance. I hope that in the boardrooms of these oil companies they would please reflect on this battle. Is this really worth it? Is this really worth it to the big oil companies. Sixty-six million in a multi-billion-dollar company wouldn't make a

ripple on their balance sheet. But for them to be in a position, as they are today, of trying to defend the indefensible, a position where they have lost time and again in court, trying to say they can use up our Federal resources without paying for them, is just incomprehensible.

Mrs. BOXER. Will my friend yield for a final question and perhaps retain the remainder—I would like him to speak again—I wanted to make a point. There is a chart up there on the Long Beach jury verdict where Harry Anderson, one of the most important whistleblowers, was quoted. That isn't even a case about Federal royalties. This debate, I want to point it out, is about Federal royalties. The one case they ever won was based on State royalties. You don't have to pay your State royalties based on fair market value.

I thank my friend.

Mr. DURBIN. Mr. President, I reserve the remainder of my time.

Mr. REID addressed the Chair.

The PRESIDING OFFICER (Mr. VOINOVICH). The Senator from Nevada.

Mr. REID. Mr. President, I appreciate the opportunity to speak this afternoon. This money going to the Land and Water Conservation Fund has been so important to the State of Nevada. Lake Tahoe, which we share with the State of California, has received, from the work that I have been able to do since I have been fortunate enough to be in the Senate, tens of millions of dollars from the Land and Water Conservation Fund to purchase environmentally sensitive land, land that would have been subdivided, land that would have been overrun with problems. Now this land is in beautiful, pristine wilderness.

The Land and Water Conservation Fund has been extremely important to the State of Nevada. This gives me an opportunity, because of how important the Land and Water Conservation Fund has been to the State of Nevada, to talk about the State of Nevada. People do not understand the State of Nevada.

Coincidentally, there was an article in today's Reno Gazette Journal. That is a Gannett newspaper in Reno, NV. This is a major story, coincidentally, in today's newspaper. There is a picture of a beautiful area. Below it are the words, in large print: Many don't associate Nevada with beauty. But if they do some exploring, one of the many sites that will take their breath away is the Arc Dome Wilderness.

As is said in this article: One of the many sites that will take their breath away is the Arc Dome Wilderness.

The State of Nevada is seen by many as a place to dump nuclear waste, a place to set off nuclear weapons, nuclear devices. The State of Nevada is the most mountainous State in the Union except for Alaska. We have, in the State of Nevada, 314 separate, distinct mountain ranges. In the State of Nevada, we have 32 mountains over 11,000 feet high. Just outside Las Vegas—if you could walk it, it would

be about 10 miles—you would come to a mountain that is almost 11,000 feet high. Nevada is a unique State. It is a very large State. It is a State that has magnificent views.

What people also don't understand is, we are fortunate. When I first came here, Nevada was the only State that had not done its Forest Service wilderness designation, the only State. I introduced legislation. It took a number of years, but we, in the State of Nevada, have created a beautiful Forest Service wilderness.

That means we have preserved areas in the State of Nevada in their pristine state. These are areas that my children, my children's children can go to, and these areas are the same as they were 100 years ago. In the process of doing the legislation for the wilderness in the State of Nevada, I, of course, toured the State of Nevada and looked at every wilderness site. After the legislation was introduced, I sent staff to talk to local people because, of course, with rare exception—although there are two wilderness areas, one right outside Las Vegas and one right outside Reno—with rare exception, these wilderness areas are located in remote areas of the State of Nevada, rural areas in the State of Nevada. I sent staff out to visit with these people in rural Nevada to talk to them about wilderness.

I got a call from one of my staff members. She said: It is interesting; I am in Ely, and they believe you should back off your wilderness—and I had heard that story lots of times. She said: They think you should create a national park. I said: A national park? She said: Yes, that is what they think should be done.

I didn't realize at the time that there had been for almost 60 years an effort to create a national park in the State of Nevada. A long-time Nevada Senator by the name of Key Pittman, who became the chairman of the Foreign Affairs Committee in the Senate—and was, at the outbreak of World War I, chairman of the Foreign Affairs Committee—sent a man, a forest ranger, to take a look at where would be a good place in Nevada to have a national park. This man traveled to Nevada. His name was Mott. He found a place. He reported to Key Pittman.

Key Pittman went to the President. To make a long story somewhat short, there were efforts made over the decades to create a national park in Nevada. It failed every time. Mining interests, ranching interests, they couldn't work it out. Well, I took the advice of my staff person, and the people in White Pine County, and created a national park legislatively. I offered legislation to take it out of the wilderness designation and create a national park. We created a national park. It is now a law that has passed the U.S. Congress, signed by the President, and it is a beautiful park—Great Basin National Park.

It is in a very remote area. It is over the border of the State of Utah. It is

about 720 miles from Ely, NV. It is a place that everybody should go. What is there? The oldest living thing in the world is located there. The bristle cone pine tree is over 5,000 years old. These pine trees in this national park were growing when Caesar was around. These pine trees were old when Christ was on the earth. You can go to the Great Basin National Park and see them and feel them. They are there. They are still growing. On this national park is Nevada's only glacier. We have a glacier in Nevada at our Great Basin National Park. Every different thing that is found in the Great Basin is found in this national park. It is a wonder of nature, from the towering Wheeler Peak to the base of it, which is high desert. It is a wonderful place. It is a place where people can walk.

We certainly need to do more things in all of our national parks to make them better places for visitors, although Great Basin is very nice. I would love to have a great new visitor center there, and we need an interpretive site.

The Senator from California has gone, but I say, with land and water conservation moneys we are going to build in various areas in our national parks beautiful visitor centers. That is important, and we should be able to do that.

A bit of the ice age exists in the form of this glacier. As I indicated, it is the only one of its kind, not only in Nevada but in the Great Basin. It is a mere token of what the ice age was, but in Nevada it still exists in the Great Basin National Park. It calls to mind the powerful glaciers capped at Snake Range only a few thousand years ago. Glacial activity is easy to find. Piles of glacial debris form mounds and ridges and lakes.

I failed to mention, in these parks are wonderful little lakes; they are turquoise blue. I have been there, and I have seen them. They are ice cold. We call them Theresa and Stella Lakes. They occupy hollows that were gouged out during the ice age. This national park is just unbelievably nice. I talk about Nevada having 32 mountain peaks over 11,000 feet high. Wheeler Peak is 13,000 feet high. I think that is really important, that we have Wheeler Peak, which is over 13,000 feet high, the second highest peak in the State. It is just really quite unbelievable that we have Wheeler Peak where it is.

The bristle cone pines we talked about being there at the time of Caesar and at the time of Christ. When they were building the pyramids, these trees were growing.

This is interesting. We had a cowboy out riding his horse one day, and he was looking up, and he suddenly dropped through ground into this huge cavern, and now these caverns are part of the Great Basin National Park, called Lehman Caves. It has a separate entrance, a wonderful place. You can look at stalactites and stalagmites,

and it is as dark as anything could be. We have that there.

Mr. DORGAN. I wonder if the Senator will yield for a question.

Mr. REID. I am happy to.

Mr. DORGAN. I have listened with some interest not only to the Senator from Nevada but to other of my colleagues who are speaking about the issue before the Senate. I know the Senator from Nevada is talking about the budget problems we have. The fact is, we don't have enough money for education, health care, and a range of things. That is why we have not had the appropriations bills brought to the floor for those areas. The Senator from Nevada is talking about those issues.

The issue that has been raised by the Senator from California is the issue of royalties paid with respect to the extraction of oil. My understanding of this issue—and I know there has been a discussion of it at some length here—is that in integrated oil companies, where you have oil companies raising oil and then selling it to themselves, the value of the oil they are pulling from the ground is an issue they largely decide and report to the Government and say: By the way, that oil didn't have much value; therefore, I am not going to pay you much in royalties.

So when the folks get out there and look at these sweetheart transactions from companies which own each other, one to another, they discover that this oil has been radically undervalued, and the interests that have been denied the rightful opportunities here are the American public; the American people haven't gotten their royalties. They have not received the fair amount of royalties. When the oilers go look at this, they say, you can't do that, you can't undervalue this, and therefore cheat the public out of what is theirs.

I guess the dispute here is a circumstance where someday we want that to continue to exist: Let them continue to sell oil to themselves, and price the way they want to, and avoid paying royalties.

The Senator from Nevada makes the point that when we do that, we end up not getting the money we should get for the American public, and these royalties belong to the public. Second, we don't have the resources we need, then, to make the investments in children, health care, and other things. That is the point, I think, the Senator from Nevada makes.

I find it interesting. I was a State tax administrator in the State of North Dakota before I came to this body, and I will give you another example that is almost exactly like this. We had to value railroads. We had to establish a value on railroads for tax purposes. The railroads said to the State of North Dakota, well, the value of the railroads is computed by describing all of the stock and all of the debt, assuming you bought all the stock and assumed the debt. That is what the railroads told the State. The railroads said: By the way, the value of our

stock is par value, which is printed on the certificate. Of course, that is not the value of the stock. But for many years the State of North Dakota accepted par value on the stock as representative of the value of the railroad. They radically underpaid their taxes because of it.

When I became tax administrator, having taken a look at that, I decided that was not going to stand. Of course, the railroads didn't like it at all when we changed the method. That is exactly what is at stake here with respect to the oil companies. They sell oil to themselves and underprice it so they can avoid paying royalties to the American people, who are owed these royalties, and they don't want this interrupted. They say: We don't want to change the way we are doing this; we like it. Of course they like it, because they are not paying the royalties they owe to the American people.

The Senator from Nevada makes the point that it is not fair.

Mr. REID. Mr. President, let me reclaim my time and say to my friend from North Dakota, as I indicated earlier, the reason I was so impressed with what the Senator from California has done is that a portion of these royalties currently goes to the Land and Water Conservation Fund for Federal land acquisition. That is what I have talked about here. I think it is so important.

I see my friend from Iowa and my friend from North Dakota. I know they have both been to Lake Tahoe, which the Senators from Nevada and California share. Now, that is a beautiful place. It has remained as beautiful as it is because we have been able to take money in years gone by from the Land and Water Conservation Fund to buy land around there. As a result of that, we are making progress and saving that pristine land. It is not pristine now, but we are saving that beautiful lake, and we want to stop degradation from taking place. That is why, from my standpoint, these royalties are so important, because they go into land and water conservation moneys which for us in the State of Nevada are so important.

Mr. HARKIN. Will the Senator yield?

Mr. REID. Yes.

Mr. HARKIN. I have a statement and then a question. I thank the Senator for what he said about the land and water conservation funds because we use those in Iowa, too. Every dollar taken out, by losing it to the oil companies, is something we don't get to use to save some of our hunting grounds and fishing grounds.

Mr. REID. I want to say one other thing to my friend. I know he has another question or two he wants to ask. When we don't have money in that Land and Water Conservation Fund, that makes for difficulty in other areas. I mentioned briefly that we only have one national park in Nevada, and in Iowa I doubt if you have one.

Mr. HARKIN. We don't even have one.

Mr. REID. You know, the national parks all over America—and I know the Senator has traveled to them and has seen them—need restoration; they need to be refurbished. We need to rebuild. Every year that goes by and more people visit them, there is more wear and tear on them. That is why the land and water conservation money is an offset. It is a tremendous help to us.

Does the Senator have another question?

Mr. HARKIN. I thank the Senator. I especially want to thank the Senator from California for her great leadership, and the Senator from Illinois who was making statements earlier. The Senator from Nevada has again put a finger on why we need to close this loophole and why what is happening right now is grossly unfair. It has come to my attention. I am not an expert on oil and all that kind of stuff. At least it is my understanding.

Mr. REID. We have more oil in Nevada than in Iowa.

Mr. HARKIN. I am sure.

Mr. REID. We don't have much.

Mr. HARKIN. But we have a different form. It is called ethanol. I will get to that in a second.

Let me ask the Senator, I understand this loophole that allows a handful of oil companies to keep from paying their fair share of taxes for what is owed the Government—it is only just a few, and most of the oil companies pay their fair share. Is that right?

Mr. REID. I have listened to the debate. I heard the Senator from Illinois and the Senator from California enter into an exchange saying that it is only about 5 percent of the companies that do not pay the right amount of money.

Mr. HARKIN. Doesn't it strike us as odd that 95 percent of the oil companies are good citizens? They pay their honest taxes. There are honest royalties. Yet we get 5 percent of the largest who are skirting the law, who are doing this, and keeping us from collecting the royalties that help us with our Land and Water Conservation Fund. So we are talking about 5 percent, a handful of the largest of all the oil companies.

I ask my friend from Nevada, what sense does this make? Why would we excuse 5 percent of the largest when we stick it to the smaller oil companies and make them pay their royalties? If we are going to do this, why not do it for all of them?

Second, we heard the Senator from North Dakota talking about how the railroads were putting up their value as par value, and he changed that when he became tax commissioner. I was thinking about that. I wonder if anyone has ever offered to buy a railroad at par value and whether they would sell it. I want to ask the Senator from Nevada, as to these oil companies, does the Senator think I could as a private individual—if I wanted to get an oil jobber and go buy oil—buy oil from those companies at the value they placed on this, at which they paid royalties?

Mr. REID. I think not.

Mr. HARKIN. I don't think so. If I am wrong, someone please correct me because I would like to go out and buy some of that oil. I think I could turn it into a pretty handsome profit. I believe in the profit incentive. But you know darned well that you can't bill that oil at that price. They sell it to themselves at that price, and that is how they are getting out of paying the Government their fair share of royalties.

I also have to ask the Senator from Nevada, I understand what the Senator from California is attempting to do is not to impose any kind of new tax—this is not a new tax, as I understand it—on the oil companies.

Mr. REID. The Senator is absolutely right.

Mr. HARKIN. It is not a new tax. It is a matter of having a handful of these companies pay what they owe. Is that correct?

Mr. REID. That is absolutely true.

Mr. HARKIN. It is not a new tax. It is something they have known that they have had to pay all along and that they are supposed to pay.

All, I guess, the Interior bill does is clarify the rules so they will pay their fair share, as I understand it. The amendment of the Senator from Texas stops this from happening. It lets the oil companies continue to underpay their royalties. Is that right?

Mr. REID. That is right.

Mr. HARKIN. I saw this figure. I can't attest to this. I thought this was pretty interesting—"Big Oil's Big Rip-off." The Hutchison amendment has already cost us \$66 million in lost royalties, according to the Interior Department. Is that right? Already, to date, according to the Interior Department, taxpayers have lost \$88 million. When you add the Hutchison amendment on that, it will cost us \$154 million, according to the Interior Department. Is that correct?

Mr. REID. The reason I came, I say to my friend, and the reason I am so interested in this is that we are desperate for money in the West. I am sure it is accordingly so in other places. We have so much in the way of public land. We are desperate for money to make sure some of our nice places remain that way.

In all due respect to my friend from Iowa, his State was settled long before Nevada. The reason he does not have national parks and wilderness areas is because it is all private land. I don't in any way denigrate what has happened to the State of Iowa. But we in the West still have public lands that we want to try to add to and protect. We are having difficulty doing that because we don't have the money as the Federal Government, which is the caretaker. We don't have the money to not only add to it a little bit but take care of what we have.

Mr. HARKIN. Where do these royalties go? They don't go into the general coffers.

Mr. REID. They go to a number of places. But the track of money I have

followed goes to the Land and Water Conservation Fund, which the President, thank goodness, is fighting to put some money into.

We have not had enough money for the Federal Government to stop development in Montana. There was an agreement made to buy a large mine there because they thought it would be detrimental to the national park that is right there. Yellowstone, they thought, didn't need that there. As a result of that, the Federal Government didn't have any money to buy it, even though they made the deal to buy it. This \$154 million would allow them to do that. A lot could be done with that.

Mr. HARKIN. I say to the Senator that we in Iowa are trying now to reclaim some of the Loess Hills. It is a wonderful natural phenomenon. It takes place in only two areas on Earth—here and in China. We are trying to reclaim these and make them a preserved area.

Mr. REID. Will the Senator explain what has happened in China and Iowa?

Mr. HARKIN. This is over centuries, thousands of years ago, tens of thousands of years ago, the winds blew and they blew up these huge mounds of fine dirt. There are only two places to this extent. One is here and one is in China. These are a natural phenomenon. They are beautiful, very scenic, and we are trying to reclaim them and preserve them for future generations. This money could help do that.

I guess that is why I wanted to ask the Senator the question because he caught my attention when we talked about parks. We don't have national parks in Iowa. But we do have things such as the Loess Hills, Effigy Mounds, and some fishing and hunting areas that get money from the Water and Conservation Fund—and historic preservation.

I am constrained on this. I am a big supporter of ethanol because ethanol is clean. We grow it. It is renewable. We don't have to import it from other countries. I have always thought that ethanol could compete fairly with oil. There is a provision in the law that gives a certain tax credit for the use of ethanol in gasoline.

One of the Senators from Texas has always gone after it saying ethanol should not get any tax breaks; it should stand on its own two feet and compete against oil. I took the floor one time, I say to my friend from Nevada, and I said: Fine. Let's go back and recapture all of the tax breaks that all of the oil companies have gotten for the last 50 or 60 years. And how about the tax breaks they get now? How about this? If this doesn't amount to a tax break for big oil, I don't know what does. They want to keep that but they want to take away the small amount of tax credit that we have for ethanol.

I want to get that off my chest because I hear these oil State Senators coming in here all the time telling me that we can't provide any kind of tax incentive for the use of ethanol because

we don't for oil. Nonsense. This proves it right here.

Mr. REID. Let me say to my friend, as someone from the State of Nevada, we don't grow a great deal. We grow alfalfa. We are the largest producer of white onions in the United States. But other than that, we don't produce a lot in the way of agricultural products—certainly a lot less than we used to because of the growth in the Las Vegas area. So it was a hard sell to me to accept ethanol being something that was good for our country because it was hard for me to accept that we could grow something and stick it in a car and burn it.

But what persuaded me—I am now an advocate for ethanol—is that it is renewable. We have this ability in the United States to grow crops. We don't grow crops in Nevada as they grow them in the Midwest, in Iowa. But if we burn up a tank of ethanol this year, then next year there is some more ethanol and we can burn up some more. It is not the same as fossil fuel. That is a selling point to me.

I say to my friend from Iowa that another reason I was willing to come here on the Boxer postcloture activities is that we don't get enough opportunity around here to talk about things.

I am happy to hear the Senator from Iowa talk about some areas in the State of Iowa that are environmentally important. The Senator has talked about them. I would love to visit Iowa. I came to the floor today to talk about the beauty in the State of Nevada. I invite the Senator from Iowa to spend a few days with me in Nevada. We will go on a pack trip; we will go into some of the beautiful wilderness areas.

People fly over the State of Nevada. It looks like one big desert. It is not. We have wilderness areas. In the Reno newspaper, they talk about one wilderness area called Arc Dome. We have heard about mountain sheep, but in Nevada we have mountain goats. We have beaver. We have eagles floating through the valleys, antelope, elk.

People don't realize Nevada is more than the bright lights of Las Vegas and Reno. We need more time to talk about our various States. We tend to come to the floor and get involved in things that do not allow Members the opportunity to educate each other about their States.

Mr. HARKIN. Today, I learned a lot about the beauty of Nevada. I will take the Senator up on his offer to visit.

Mr. REID. The invitation is open, and I hope my friend will invite me to Iowa to look at the natural phenomenon in his State.

Mr. HARKIN. Secretary Babbitt came to Iowa and visited the Loess Hills area. He never knew they were there. No one ever talked about it. We are trying to preserve them.

Let me, again, ask the Senator from Nevada, there was an editorial in USA Today.

Mr. REID. I have the time. Please proceed. I yield for a question.

Mr. HARKIN. There is an editorial in the USA Today, August 26 of last year, entitled, "Time to clean up Big Oil's slick deal with Congress." They are talking about this very item, ripping off the taxpayers. "According to the watchdog project on government oversight, there is more than \$2 billion in uncollected Federal royalties at open market prices, and the total grows by more than \$1 million every week."

This editorial, along with an editorial that appeared in the Los Angeles Times of July 20 of this year, gave an indication of how much money was given by the oil companies in campaign contributions. Big oil contributed more than \$35 million to national political committees and congressional candidates in this time over the last 12 years.

I question no one's motives on this floor. I never question anyone's motives. I say this is another indication of why we need campaign finance reform.

Mr. THOMAS. I raise a point of order it is not germane to what we are talking about. It is not germane to what this discussion is about.

Mr. REID. I have the floor and I am happy to respond to that.

We have at great length here today talked about the Land and Water Conservation Fund, how it is tied into the question of royalties. Certainly that is about as germane as it could be.

Mr. THOMAS. Campaign finance reform—

Mr. REID. I have an hour's time, and I have spoken in germane terms to the matter now before the Senate. If the question is asked and goes on to some other subject matter, we can't be—

Mr. THOMAS. Mr. President, I raise a point of order. Could I have a determination?

Mr. HARKIN. May I be heard on the point of order, Mr. President?

The PRESIDING OFFICER. The Senator from Nevada does have the floor, but I think he has a responsibility to make sure the questions that are being raised in this colloquy are relevant to the issues before the Senate today.

Mr. REID. I appreciate the statement.

Mr. HARKIN. If the Senator will yield, I say it is absolutely relevant to the issue of oil companies, royalties, and how much they are paying, to say that Senators ought to have the right to defend their interests and to defend companies in their States.

I don't question Senator HUTCHISON or anybody else is doing this in good conscience. They have their case to argue. That is fair. What I am saying, when we get editorials such as this that point out how much money has come from oil companies to the campaign coffers of the people making this debate, it demeans the whole debate. That is my point. I think the Senator would agree with me on that.

My question is, this is tied into this debate. We could have a much better debate if we had that.

Mr. REID. If I can respond to the question, the subject matter of that

editorial is the amendment that is now before this body. It is not on another subject. That is the subject matter of this editorial, on the matter now before this body.

Mr. HARKIN. I ask unanimous consent this editorial be printed in the RECORD.

Mr. THOMAS. I object.

The PRESIDING OFFICER. The objection is heard.

Mr. HARKIN. I ask unanimous consent that an article appearing in the Los Angeles Times dated July 20—

The PRESIDING OFFICER. The Senator from Nevada has the floor.

Mr. REID. Mr. President, I ask unanimous consent that an editorial, dated Wednesday, August 26, entitled, "Time to clean up Big Oil's slick deal with Congress," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From USA Today, August 26, 1998]

TIME TO CLEAN UP BIG OIL'S SLICK DEAL  
WITH CONGRESS

Imagine being able to compute your own rent payments and grocery bills, giving yourself a 3% to 10% discount off the market price. Over time, that would add up to really big bucks. And imagine having the political clout to make sure nothing threatened to change that cozy arrangement.

According to government and private studies, that's the sweet deal the oil industry is fighting to protect the right to extract crude oil from public land and pay the government no the open market price but a lower "posted price"—based on private deals the oil companies can manipulate for their own benefit.

States, Native American tribes and landowners are suing for the full open-market-price fees, and a few oil companies have begun to cut settlement deals from Alabama to New Mexico rather than face trial. Accordingly to the watchdog Project on Government Oversight, there's more than \$2 billion in uncollected federal royalties at open market prices. And the total grows by more than \$1 million every week.

No wonder the industry is pouring money into the campaign coffers of senators and congressmen willing to help protect the status quo. Oil-patch lawmakers have been playing tag team with amendments that bar the Interior Department from implementing new rules to require payment at the open market price.

Sen. Kay Bailey Hutchison, R-Texas, for one, is so valued by the industry that even though she's only been in Washington five years, she's already the No. 2 recipient of oil-producer cash over the past 12 years.

Big Oil has contributed more than \$35 million to national political committees and congressional candidates in the time—a modest investment in protecting the royalty-pricing arrangement that's enabled the industry to pocket an extra \$2 billion.

That's millions missing in action from the battle to reduce the federal deficit and from accounts for land and water conservation, historic preservation and several Native American tribes. In addition, public schools in 24 states have been shortchanged: States use their share of federal royalties for education funding.

Meanwhile, the industry seeks to change the subject, lobbying to force Uncle Sam to take royalties in oil instead of dollars. That would put the government in the oil business, where it doesn't belong, but not change

the slippery method of figuring companies' bills.

Having profited so long by being able to fiddle with the price, now the companies and their congressional pets complain that paying what they really owe would be unfair.

But the taxpayers have been getting the unfair end of this deal for far too long. One major producer, Atlantic Richfield, has already adopted market pricing for calculating its royalty payments. Congress, instead of protecting industry recalcitrants and campaign contributors, should protect the public interest.

BIG OIL'S INFLUENCE

Top congressional recipients of oil-producer political action committee contributions between January 1987 and March 1998:

Sen. Phil Gramm, R-Texas: \$198,337.

Sen. Kay Bailey Hutchison, R-Texas: \$175,199.

Sen. John Breaux, D-La. \$174,800.

Sen. James Inhofe, R-Okla. \$171,999.

Rep. Don Young, R-Alaska: \$171,025.

Mr. REID. I do want to say we are very proud of the wilderness areas we have in Nevada. Let me name them: Alta Toquima Wilderness, 38,000 acres; Arc Dome Wilderness, which is the largest, it covers 150,000 acres; Mount Charleston Wilderness, right outside the city of Las Vegas, covers the Spring Mountain Range and is almost 11,000 feet high; Mount Rose Wilderness, likewise, located just outside Reno. You can see it from Reno when you go there. Table Mountain Wilderness, and I have traveled almost every bit of that, is a wonderfully unique place. Currant Mountain Wilderness is near the Great Basin National Park. The East Humboldt Wilderness is 37,000 acres. Here we have a herd of shaggy mountain goats which you can see there, with a small cirque lake and the 11,000 foot peak. Grant Range Wilderness, not far from Las Vegas, is a 50,000 acre area; Jarbidge Wilderness, a beautiful, wonderful area, you can still go there and pick up flint stones. You can pick up arrowheads. I went there for the first time in August, and the snow had not melted yet. It was beautiful.

Mount Moriah Wilderness is located near the Utah border; Quinn Canyon Wilderness is located in eastern Nevada, 27,000 acres. Ruby Mountain Wilderness has skiing. Land at the top in a helicopter, ski down the mountain, and come out where there is no wilderness. Santa Rosa Mountain Wilderness, also very remote; and finally, Boundary Peak Wilderness on the California-Nevada border is a mountain more than 13,000 feet high, which is the highest mountain in the State of Nevada.

My friend from Massachusetts has a question, I understand.

Mr. KENNEDY. If the Senator will be kind enough to yield for a question.

Mr. President, as I understand, half of the royalty is returned to the States. Is the Senator familiar with the fact that the amounts that are actually returned to the States go directly for the cause of education, the education funds of these States?

Mr. REID. I say to my friend, who is the ranking member of the Health,

Education, Labor and Pensions Committee and who has spent so much time working on education issues, trying to find money, as I know the ranking member has done—trying to find money to fund education programs all over America—yes, \$66 million. As the Senator from Iowa indicated, it could go up to \$154 million. Think what we could do with that share of education moneys, with the programs he has authorized in his committee but we have no ability to fund.

Mr. KENNEDY. I want to just raise this issue since, by and large, the majority of the States use the resources that come from this royalty for education. If the amendment of the Senator is carried, then they are going to be denied funding in a number of these States, some 24 different States. I think it is important to recognize—

Mr. THOMAS. I raise a point of order. Would the Senator please explain the question exchange? I am sorry, I don't understand this.

Mr. KENNEDY. I would like to be heard on this.

Mr. REID. Would the Senator complete his question to the Senator.

Mr. KENNEDY. The point is, if the royalty money is not available to the States, does the Senator understand that money is going to have to be made up in some other way and otherwise we are going to have cutbacks in education in the States?

Mr. REID. I have been waiting for the Senator from Massachusetts to come because I was hoping he would ask this question.

We in Nevada know more than any place in America how difficult it is to fund education. I say to my friend, does he realize in Nevada we hold the record? In Clark County, we dedicated and built 18 schools in 1 year. No school district in America has ever come close to that. We need schools. I say to my friend from Massachusetts, in Las Vegas we have to build one school every month to keep up with the growth. We are the eighth largest school district in America. We have well over 200,000 kids in our school districts.

So I say, absolutely, the money that would come from this would help the people in Nevada and the rest of the people in the country. I don't know how I could be more direct in my answer to the Senator.

Mr. KENNEDY. I again want to ask the Senator: As I understand it, for example, the total share of the royalty funds that goes to the State of California, 100 percent, goes to public education of children in California. Does the Senator understand in Colorado it is some 60 percent, 100 percent in Louisiana? Those would be funds, if this amendment were carried, that would be directly denied to the public school system in those States and would have to be made up, or otherwise there would be cuts in those particular States. Does the Senator understand the relationship between what we are

talking about here and the issue on education? It is very significant.

Maybe \$60 million does not make a lot of difference to some Senators. But it could make a lot of difference if we were talking about the Reading Excellence Act which has just been cut over in House Appropriations. It makes a difference to 330,000 children—whether they are going to learn how to read.

We have those examples across the board: Colorado, 60 percent; North Dakota, 57 percent. Has there been any discussion on the floor of the Senate by those Senators on how they are going to make up the money? It seems to me we ought to have at least that kind of information. If you are going to cut out that funding for public education in the schools—and that is what this amendment does—we ought to understand where the other money is going to come from because you are taking it right out of public school education.

I do not know what the Senator's conclusions are, but when we realize we are dealing with the appropriations bill that is the last bill on the agenda, it maybe doesn't have a very high priority. Maybe that is one of the reason it has not been talked about very much by the Republicans, those on the other side. But this is money that comes right out of public education. It comes right out of support for public education in a number of these States.

Mr. REID. I say, in answer—

Mr. KENNEDY. I was just asking the Senator how these States are going to make up for it. Can the Senator help us?

Mr. REID. The Senator has asked a couple questions.

First of all, no, there has not been a single word on this Senate floor about where the makeup would be for this money. The fact is, as with most education issues that have come up since the majority has been controlling this place, they just ignore it. They don't worry about it.

I say, in answer to my friend from Massachusetts, yes, we have a lot of children—more children who are not going to be able to read, the more we cut back on these moneys. But I say to my friend, we have 3,000 children dropping out of high school every day in America. Couldn't we use a few of these dollars to come up with some programs to keep these kids in school?

Mrs. BOXER. Will the Senator from Nevada yield to me for a question?

Mr. REID. I am happy to.

Mrs. BOXER. Because I think it dovetails with the Senator's question about the States.

I say to my friends from Massachusetts and Nevada, maybe some Senators on this floor do not care about this, but the States do care about this. The States have sued the oil companies because of this continuous undervaluation of these oil royalty payments. I say to my friend, it is outrageous that we do not fix this problem today. The States have sued to the tune of \$5 billion because they need this money.

What we will do, if this amendment is agreed to, I say to both of my friends, is continue this undervaluation, continue these lawsuits where the States have to sue, rather than allow Secretary Babbitt and the Interior Department to fix this problem.

I am so glad the Senator has yielded to my friend from Massachusetts. I wanted to know if he was aware of these valuations and if he would ask unanimous consent to have these facts printed in the RECORD.

Mr. REID. I would have to say to my friend from California, I knew of dollars but I did not know of the tremendous amounts: The State of California, \$345 million, unbelievable; Texas, \$30 million; New Mexico, a small State, think of what could happen in the State of New Mexico with \$6 million; Alabama, \$15 million; Louisiana \$400 million.

As I understand, these moneys come from lawsuits where the oil companies settled. There was not a trial where a verdict was rendered or a judgment rendered. They paid up when they found that they were doing wrong. And all this money, based upon what the Senator from California has so aptly described earlier in her statements on the Senate floor, and what the Senator from Massachusetts said—every dollar of this money goes to public education. States break it up differently, the Senator said—California, 100 percent; North Dakota, 56 percent—but that is a lot of money for those States.

Mr. KENNEDY. I was interested in the Senator's viewpoint. At the very time we are meeting here, this very time this afternoon, the House appropriators are marking up the education bill. They have just cut \$60 million out of the reading programs, the Reading Excellence Act, which would affect 330,000 children. This is what we are talking about.

Does the Senator agree with me that we have a limited role in public education? We provide 7 cents out of every dollar in education, but we provide it in targeted areas to try to begin to make some difference in local communities and in States so these efforts can be carried on and expanded if they are worthwhile. We have the Reading Excellence Act, which is just beginning to take hold, just beginning to make a difference. Mr. President, \$60 million is a big hunk of change, and that is what this amounts to in total revenues—\$66 million.

I just want to inquire of the Senator so the membership understands. When we refuse to defeat the Hutchison amendment, we are going to be disadvantaging States in the public education system.

Mr. REID. I say to my friend in response to the question, he made a very good point. The Federal Government, in my opinion, does not do enough to help public education. It does not do enough. Seven percent is not enough. But at least we do something. Every dollar we send to the school districts is badly needed.



But in answer to the question of the Senator, this money goes to the school districts. They can spend it in any way they want. Isn't that right?

Mr. KENNEDY. That is my understanding.

Mr. REID. The Federal Government is not saying you must spend it in a certain way. The State of California, by law and regulations of the State of California, is required to spend this money in any way they want on public education?

Mr. KENNEDY. That is absolutely correct. If the Hutchison amendment is accepted here, these will be the results. Effectively, we are going to be seeing an important source of funding for public education, for the schools in these several States, being denied.

Does the Senator agree with me that most of the responsibilities we have are on priorities, on making choices?

Mr. REID. The Senator is correct.

Mr. KENNEDY. Does the Senator understand the choice to be on the issue of education? If we accept the amendment of the Senator from Texas, we are going to have, as a corresponding result, important reductions in support of public education in a number of States; is that the Senator's understanding?

Mr. REID. And it will not be made up anywhere else.

Mr. KENNEDY. Does the Senator think we are going to make it up at the Federal level in terms of appropriations? Has there been any suggestion?

Mr. REID. We see what is happening in the House as we speak. We have seen what has happened in the last several years: Education is being ratcheted down. There are some, I say to my friend, who want to destroy public education, and this is a step in that direction.

Mr. KENNEDY. I thank the Senator. It is important the Membership have a full understanding of the impact of the Hutchison amendment on education.

Mr. REID. I appreciate the questions from my friend from Massachusetts. One reason, before the Senator leaves the floor, that I think this is so important is this money does not go to any one place. I talked about the importance of the money and doing something about the natural beauty in our States. The Senator asked a series of questions that indicated a large chunk of this money will go to public education, and as far as this Senator is concerned, I do not think there is anything more important than public education and protecting our natural resources. That is, in effect, what the Senator from California is attempting to do: Focus attention on these moneys that would go to these very important issues, such as the national park we have in Nevada, such as the 14 wilderness areas we have in Nevada, and the many educational programs.

I ask the Chair how much of the Senator's hour is remaining.

The PRESIDING OFFICER. Ten minutes.

Mr. REID. Mr. President, while we are talking about education, I say to my colleagues that I have worked with the Senator from New Mexico, Mr. BINGAMAN, on some very important legislation. The Senator from Massachusetts and I just touched upon it. It deals with dropouts.

As the Presiding Officer has heard me say, every day in America 3,000 children drop out of high school, half a million a year. Every one of those children who drop out of school are less than they can be. They are going to be less productive to themselves and to their families. They are going to add to the cost of Government in education, in welfare, and our criminal justice system.

Mr. President, 84 percent of the men and women in the prisons around America have not graduated from high school. So are high school dropouts a priority? Yes, they are.

The Senator from New Mexico, Mr. BINGAMAN, and I have introduced legislation to create, within the Department of Education, a dropout czar who would work on programs around the country to keep kids in school and not force any of these programs on local school districts, but have them available with challenge grants and other opportunities for schools to step in and see if they can help keep some of their kids in schools. It will cost a few dollars to do this. We need to do it. This will allow us to have moneys to do that.

I say keeping children in school is important. We have programs around the country that work. Let's try to pattern what we do after the programs that work and keep some of these kids in school. I cannot think of anything more important, as it relates to education, than keeping these kids in school. We are not going to keep all 3,000 children from dropping out every day, but let's say every day instead of 3,000 children on average dropping out, 2,800 drop out. We will keep 200 children in high school every day. Think how many that will add up to in a school year: Kids who have a better opportunity to do what they are capable of doing and not adding to the criminal justice system, not being part of the statistics. Eighty-four percent of the people in prison did not graduate from high school. We need to do better in that regard.

Also, we need to do better with our natural resources. We need to do something about the multibillion-dollar backlog in our national parks. We are closing parts of our national parks because we cannot rehabilitate them the way they need to be rehabilitated. Some of these areas are becoming dangerous for people to walk in.

What we do with our personnel in our U.S. park system is something we should not brag about. Employees of the National Park System are living in Quonset huts from the Second World War. We have to provide housing for these people. A lot of these parks, just

like Great Basin, are very remote. The nearest town from the Great Basin is 70 miles away. These people are living in conditions I do not think you want your children living in. These jobs are coveted. They go to school to become a park ranger. They love their work. We should provide adequate housing for them because a lot of times it does not exist.

I appreciate the opportunity to speak today. I appreciate the questions from the Senators from North Dakota, Massachusetts, California, and Iowa. I hope this debate has been educational to other Members of the Senate.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, what is the situation with regard to time?

The PRESIDING OFFICER. The Senator has an hour.

Mr. THOMAS. I thank the Chair. I want to make a few comments to see if we can move this discussion back to the issue. We have been totally off the issue for the last 2 hours.

The issue really has to do with MMS. It has to do with the development and enforcement of regulations. Nearly everyone who has gotten up so far has said: I do not know much about this; our State does not do this. And they have gone on to talk at length about it.

I have been involved with this. I have been at the meetings with MMS. Our State is the largest State involved in terms of oil royalties.

We ought to focus on the real issue for a while. I want to do that.

Mr. CRAIG. Will the Senator from Wyoming yield for a question?

Mr. THOMAS. Certainly.

Mr. CRAIG. As we refocus this debate on the issue of royalties, obviously the Senators from Nevada and Massachusetts and California were focusing the issue of royalties on public land resources on education. There was a critical vote in the Senate last week which they strongly opposed—and some of them spoke against it—that directly associated resources with education. That was the issue of timber, timber cuts, stumpage fees flowing back to local schools.

Will the Senator respond to that? We are talking out of both sides of our mouths if we are saying that royalties are all for education, and yet just this last week, they voted against education in timber-dependent communities across this country that have had their budgets cut 50 and 60 percent. The Senator from California voted that way, and the Senator from Nevada voted that way. Will the Senator from Wyoming respond to that?

Mr. THOMAS. Will the Senator make it a little clearer as to exactly how this impacts?

Mr. CRAIG. The point I am making is, every time the Forest Service is allowed to cut a tree off public lands, 25 percent of that stumpage fee goes back to the local school district to be spent for schools.

For good reasons, we have reduced the timber program by 70 percent in the last 7 years. I have a school district in my State that is not feeding its kids today and asking them to bring brown bags because the vote of the Senator from California, along with the Senators from Nevada and Massachusetts, denied them the right to cut trees on the clear water forests in my State.

Can I get exercised about this? The Senator from Oregon supported me because he has a school district that is only allowing its kids to go 4 days a week instead of 5. So if we are going to use oil royalties for that argument, quit speaking out of both sides of your mouth because just last week you voted that way.

We have always balanced our natural resources for the good of the environment and for the good of the public that is associated with them. The Senator from Wyoming knows that. We graze on Wyoming public lands and we take oil and coal from under Wyoming public lands—State and Federal lands. Some of that money goes back to the local communities. Yet this administration wants to decouple that.

I am glad the Senator from California is concerned about public land resources and local education, but you cannot be selective in this business. You have to share and associate. What I hear is a tremendously narrow and selective argument.

I thank the Senator from Wyoming for yielding because that is a bogus argument that is being placed by the Senator from California, unless she wants to stand up with the Senator from Idaho and say: I recognize the need to balance timber sales in northern California because the money goes to the schools in northern California, as they do in Idaho. That is called balance. That is called sharing.

I thank the Senator from Wyoming for yielding because you just cannot have it both ways in this business without someone such as me standing up and saying, foul ball, foul ball, bogus argument, unless you are willing to say: Wait a minute, I recognize your problem; we have it in the timberlands of Northern California.

Oil is an issue. It is an important issue. We want a fair return on that. The Senator from the State of Texas is trying to build that kind of fairness into this debate.

I thank my colleague from Wyoming for yielding. I yield the floor to him.

Mrs. HUTCHISON. Will the Senator from Wyoming yield for a question on a similar subject?

Mr. THOMAS. Certainly.

Mrs. HUTCHISON. Talking about education, along the lines of what the Senator from Idaho was just saying, we have another double standard, and that is, the Senator from California led the effort not to allow drilling offshore in California that is estimated to have cost the schoolchildren in the school districts of California over \$1 million a year. That is a California decision.

But the fact is, you cannot talk about losing money for schoolchildren by raising the taxes on oil companies on the one hand and then on the other hand say: But we are not going to allow drilling offshore that would put \$1 million into the coffers for the schoolchildren of California.

Don't you think there is a relationship here and perhaps there are the same issues but just people taking different sides?

Mr. THOMAS. It certainly seems that way. I think there is a real paradox here. On the one hand we are talking about more money for education and at the same time voting to reduce that amount for education. So I think that is difficult.

Let me go back to the topic that we are really here to discuss and that is MMS's proposed oil valuation rule. I rise in strong support of the Hutchison amendment. I have been working on this issue for a long time. I have been involved in numerous meetings. I have worked with the oil companies. I have worked with the school districts. I have worked with the State of Wyoming.

We are working toward find a workable solutions for everyone, which seems to be ignored by the folks on the other side. We are trying to find a way, with these regulations, for Minerals Management to make them work better. We have met with them. The oil companies want to make it work better. We want to give the Congress an opportunity to participate in this matter of making regulations.

So that is where we really are.

The domestic companies, of course, already pay significant amounts of money. Someone was saying here that 95 percent pay but the others do not. That is simply not true but if it were, that is an enforcement issue. We have regulations now. The problem is, the regulations and the proposed regulations are not workable.

Talking about having a price that is posted, that fits everywhere, that is not the way the oil business works. It is quite different in Wyoming than in Oklahoma. The idea of, where do you take the value? do you take it at the wellhead? that is what the contract says. But if you have to carry it, as an oil producer, out 10 miles to where it can be sold, it is quite a different cost that goes into it. These are the kinds of issues that are involved.

These folks who have been talking this afternoon would make you think people were trying to do away with this. That is not the case at all. It is terribly unfair. It is not the issue. The issue is to work together with MMS and get these regulations enforced. It is relatively simple, frankly.

I have to tell you, we talked some about the impact it has on Iowa, which is nothing; talked about the impact it has on Nevada, which is almost nothing because there is no production there.

Let me tell you a little about our counties. We have 23 counties in Wyo-

ming. Here is one, Park County: 82 percent Federal land. We have another one that is 80 percent Federal land: Big Horn County. These are places where jobs, where the tax base, where schools are financed largely by mineral production.

We have mineral production now. Do we want to change the method of taxing? Fine. But we want to do it along with the Congress. We want to do it along with the producers. We want to make it work and not just be something that is to be done by MMS without consultation with industry and other involved. That is really quite simple.

With regard to the editorial that was put in the RECORD, I have a rebuttal that also appeared in the LA Times, that I think would be fair to have in the RECORD, written by the vice president of the American Petroleum Institute, Chuck Sandler. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times]

(By Charles E. Sandler, Vice President, American Petroleum Institute)

Among the hallmarks of America's great opinion-shaping industry has been its insistence on the swaying of hearts and minds through the use of reasoned and finely crafted argument based on sound information, not inflammatory rhetoric and baseless accusations.

Perhaps it is because I've always placed The Los Angeles Times among the ranks of this country's great newspapers that I find myself perplexed over what could possibly have led to the publication of a shrill editorial about a complex subject that cries out for dispassionate discussion—the Interior Department's proposed new rules governing the payment of royalties by oil companies for oil they produce on federal lands. What could have been a piece that shed light on the issue's complexities instead came across as nothing more than illogic-capped mountains of scurrilous accusations and misinformation.

We cannot expect the entire world to agree with us on all issues that are important to us. But we do not see it as unreasonable to expect a fair shake and a fair hearing from those who write about us in respectable forums.

These are the facts:

First, oil companies are not promoting the use of posted prices to compute future royalties, and in fact have not done so for at least two years.

Secondly, the editorial implies that only large producers are concerned about the proposed rule when the truth is that all oil producers, from the largest to the smallest mom-and-pop outfits, are united in opposing the rule.

The oil and gas industry and the MMS are in agreement that current oil valuation rules must be replaced. In fact, like the MMS, the industry is seeking improved rules that are fair, workable and free of the uncertainties and ambiguities that make the current regulations a costly bureaucratic nightmare, both for the oil companies and the federal government. However, we oppose replacing the current system with an even more flawed, more complex and more burdensome set of regulations that fail to accurately

take into consideration a number of crucial and relevant expenses—transportation and other post-production costs, for instance—in computing royalties.

We have repeatedly urged the Interior Department's Minerals Management Service (MMS) to establish a system that avoids the complications of valuation altogether through the use of a royalty-in-kind (RIK) program under which the government takes its payment in oil, not dollars (an alternative permitted but not required under current law).

Under such a system, producers tender the government its royalty share of production and it would in turn contract with marketing companies to sell the oil at the fair-market price, as other producers do. It would simplify the system, eliminate the need for armies of accountants and lawyers (and their fees), and it would provide an opportunity for the federal and state governments to increase revenues. A similar system has been used in Alberta, Canada, and resulted in increased oil production and royalty payments, fewer disagreements between the government and oil producers, and a smaller bureaucracy. The government, unfortunately, has yet to adopt such a proposal although a pilot RIK project is being planned for this fall in the Gulf of Mexico.

The Times editorial's unfair comparison of the current situation to the Teapot Dome scandal—which involved fraud—ignores the significant fact that Democratic and Republican members of Congress who have joined to prevent Interior from unilaterally imposing its will on the industry have very legitimate concerns. To suggest that a lawmaker from a state that is a leader in oil and gas production is unduly influenced by the oil and gas industry because she has taken campaign contributions from that industry is ludicrous. It's like saying that no Silicon Valley lawmaker who's received campaign contributions from the high-tech industry should ever lift a finger to help that sector of California's economy.

Contrary to the editorial's allegation, producers are playing by the existing rules, as established by the government. The fact that new rules have not been made final as a result of Congress's decision to exercise its lawful right to review policy does not alter that fact.

Finally, if Interior were truly concerned about increasing revenue from the land the federal government leases to oil companies, it should give serious consideration to the tried and tested royalty-in-kind proposal.

Much work remains to be done before this matter is resolved. Legitimate differences of opinion exist. In the end, the issue will be settled by reasonable minds employing reasoned arguments, both to promote their views and to secure an agreement. The Times, unfortunately, missed a great opportunity to be a part of that sober discussion.

Mr. THOMAS. There is a great deal of involvement here. We have to talk a little bit about this industry. We have now, what, approximately 55 percent of foreign oil that comes into this country. Our oil people are stressed to keep it going. The oil business has been in something of a depression. We had oil down in the \$6-, \$7-, \$8-a-barrel range in Wyoming. That is not to say there ought not to be regulations, that there ought not to be the kind of royalty rules that can be lived by. That is what we are working for.

If you came in from Mars and listened to what has been talked about over the last hour, you would think we

did not have anything except a bunch of robber barons. That is not true—absolutely not true.

So I hope we can go forward with this, we can go ahead and work in the next year to put these royalty rules together, as it should be, to put it together in a way that is fair.

We have proposed regulations. We now have some changes in personnel in MMS that I think might make it work quite a bit better. We have some changes now coming forth at the Assistant Secretary's level.

We really need to get down to some facts and get away from all this hyperbole about what people are not paying, and people are cheating, and all these things. If that is true, that is an enforcement issue that ought to be dealt with by the Federal Government.

The West does have a unique relationship with the Federal Government. As I mentioned, all of us have a great deal of our land that is there, a great deal of our resources. We are dependent largely on mineral resources, along with agriculture and tourism, for our economy. So we need to have an economy that has jobs, that creates a tax base, that does the kinds of things that this industry does.

So I am really interested in us moving forward beyond these types of arguments brought up by the other side of the aisle and get something accomplished. We have talked about this now, and we have had several votes on this, as a matter of fact. We had 60 votes to move forward. We are ready to go forward with the Interior bill and do some things that have to be done in the next week and a half. We owe it to the American people.

I am really distressed by the idea of standing around wasting time on an issue that has pretty well been summed up and should be completed. We have already finished it, but we continue to go on and on here on the floor, I guess for political reasons. I cannot think of any other reason we continue to go on as long as we have.

One of the things, of course, that is most difficult from time to time in dealing with the Federal Government is the Federal regulations that are onerous and difficult. They make it very hard for businesses.

By the way, many of the businesses in Wyoming—and the oil business—are small businesses, independent producers. Many of them are stripper wells and down to 15 barrels or so per day. These are not all the mammoth companies, and so on, they talk about. This is an industry that is tremendously important to our State.

By the way, our students do receive a great deal of support from this source, which is our principal source, of course, for funding schools and doing the other things we do in our State.

Efforts will go forward to continue to complete the regulations and the rules. That is really what we are aiming toward. That is really what we ought to do. MMS needs to work with industry

and come up with some workable regulations. Talking about schools not having the money—the money is there now. As the Senator from Idaho indicated, there have been diversions from that pot of money by the very people who are continuing to talk about needing more. It seems to be something of an irony to do it that way.

I guess I have been particularly concerned about shifting the focus of our discussion today on an MMS proposed rule over to campaign finance, which we heard talked about for 30 minutes this morning. It is not relevant at all to what we are doing. And the implication that everyone who is for a workable rule is somehow a product of the contributions, I am offended by this. I am. I think it is a very unproductive kind of an argument.

I hope we can move forward, get this behind us, that we can get this job done. We can do it, and it can be done. By working with MMS, we and industry can come up with a workable rule. We are on our way to doing that now.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER (Mr. FITZGERALD). The Senator from Minnesota.

Mr. HARKIN. Will the Senator yield?

Mr. WELLSTONE. I do not yield the floor.

Mr. THOMAS. Mr. President, I think this is our hour, if I understand it correctly.

The PRESIDING OFFICER. The Senator from Wyoming had the floor. Did he yield the floor?

Mr. THOMAS. I yielded the floor to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator cannot yield the floor to another Senator.

Mr. WELLSTONE. Mr. President, I believe I have the floor.

The PRESIDING OFFICER. The Senator from Minnesota was recognized.

Mr. WELLSTONE. I thank the Chair.

Mr. DOMENICI. Will Senator WELLSTONE yield, without losing his right?

Mr. WELLSTONE. I am pleased to yield for a question, without losing my right.

Mr. DOMENICI. How long will it be in terms of the remarks the Senator will make before he yields the floor?

Mr. WELLSTONE. I say to my colleague, probably about an hour.

Mr. DOMENICI. I thank the Senator.

Mr. WELLSTONE. Mr. President, I say to my colleague from Wyoming, I understand the point he is making about the connections to money at an individual level. I am not here to make that argument. I think there is a different argument that could be made about the need for reform.

What I want to do is go back to what I think is the issue. To me, the issue is that the Hutchison amendment is an outrageous provision. The reason we are out here on the floor is, we want people in the country to know about it. We all have to be accountable.

It was offered to the Interior appropriations bill. Now, because of this successful effort to get cloture, this

amendment, if it goes into law, which it will, will restrict the Interior Department from doing its job, which is to make sure that the oil companies pay their full royalties. I thank the Senator from California for having the courage to come out and take on this effort and for having the courage to make this an issue, a very public issue in the country.

The reason we are out here is that behind this amendment lies an unbelievable story. The Interior Department's Mineral Management Service, MMS, simply wanted to collect the money that these oil companies owe the public. Many of the industry's largest companies have been consistently underpaying their royalties. They are not paying their taxes. Ordinary people, which I mean in a positive way, in Illinois or Minnesota, they pay their taxes. These companies have not been paying their taxes, not the fair share.

Last year, Mobil Oil agreed to a \$56.5 million settlement of Federal and State lawsuits alleging underpayment of royalties. They agreed to the settlement. Also, according to the Wall Street Journal, not exactly a bastion of liberalism, Chevron Corporation has agreed in principle to pay approximately \$95 million to resolve a civil lawsuit charging that Chevron shortchanged the American public. That is what has been going on.

There have been a flurry of other settlements—\$2.5 billion in Alaska, \$350 million in California, \$17.5 million in Texas, \$10 million in Louisiana, and \$8 million in New Mexico. Remember, this oil belongs to the public. What we have been saying to these companies is: Go ahead, take the oil, but all we ask, as the public, is for you to pay the market value. I don't think that is too much to ask, nor do the people of this country think it is too much to ask. Apparently, the big oil companies do. If there was a poll in the country, 99 percent of the people would be with my colleague from California.

Let me be clear about one thing: We are not talking about all of the oil companies. We are not talking about the mom and pop independents. We are talking about large integrated companies that sell to affiliates at undervalued prices. They make up only 5 percent of the oil companies drilling on the Federal land, but they account for 68 percent of the Federal production.

The Interior Department, up to the time of this Hutchison amendment, was developing regulations to stop this highway robbery. People get angry. People work hard. They pay their taxes. Then they see these big oil companies that say: We don't have to pay our taxes.

This is not new authority. Interior always had the statutory authority to collect royalties on the fair market value. But what the Hutchison amendment would do would essentially negate what the Interior Department was trying to do. What was the Interior Department trying to do? These new reg-

ulations would keep the oil companies from manipulating "fair market value" to underpay their royalties.

That is what they have been doing. They have been cheating. This is the question I ask my colleagues: Do these companies, these large integrated oil companies, deserve our sympathy? I don't think so. They have been caught. Let me repeat that. They have been caught. They have been caught underpaying their royalties. They have been cheating the public. That is what they have been doing.

My colleague from Texas and some other Senators come to the floor and they want to do a special favor for the big oil companies. The reason we are out on the floor is, even if we lost on the cloture vote, I say to my colleague from California and other Senators, we don't lose this vote, not really. We don't lose this fight, not really, because I think people in the country are absolutely outraged.

We are talking about \$66 million a year that could be going to the environment, to schools, to our children. We are talking about big oil companies that basically seem to think—my colleague from Wisconsin was out here on the floor, and I guess other Senators didn't appreciate what he was doing. But with all due respect, this is a reform issue. How is it that we have so much sympathy, how is it we care so deeply, how is it we feel the pain of these oil companies, how is it we are so much at their service, and yet, when it comes to families that can't afford child care, we don't have the same sympathy? When it comes to making sure we make the investment in education for our children, we apparently don't have the same sympathy.

I was at a press conference with my colleague from Vermont, Senator JEFFORDS, a Republican. We were talking about the current course, which is going to be about a 12- to 14-percent cut in low-income energy assistance in a cold weather State. We are talking about grants of maybe \$285, but it makes a huge difference. Do my colleagues know that for around 85-, 90,000 households in Minnesota, a third of them are elderly; 70 percent of them are working poor?

This means there is a grant so that during the cold winter months in Minnesota—we have a few of those months—we make sure those families, in trying to pay their heat, are still also able to afford food, or elderly people don't give up on prescription drugs.

What do we have here? We have a Senate, by virtue of the vote on the floor of the Senate, which basically does the bidding for these big oil companies. All of our sympathies are for these companies. My colleague from California has had the courage to confront this, to take this on. The reason we are taking our time this afternoon, I say to the Senator from California, is that we want as many people in the country as possible to know about this. That is right; absolutely, that is right.

I said, when the Senator was out, I have no doubt—and I thank her for her effort; I know she must be getting tired—I have no doubt that 99 percent of the people in this country are on your side. I say that to the Senator from California. People are outraged by this. This is another example of too few people, with too much power, having too much say over how the Senate operates, and the vast majority of the people are left out.

It is interesting; my colleague from Massachusetts, Senator KENNEDY, just gave me a summary of what happened today on the House side in the Subcommittee on Education of Appropriations. Unbelievable. They cut \$1.2 billion in money that would have gone to reduce class size. My daughter is a Spanish teacher. I asked her the other day, "What size classes do you have this year?" She said, "36 and 38." Those are two of her classes. Those classes need to be smaller.

Then I was talking to my son, who has two small children in elementary school. In the third grade class, there are 28 students. We know if we reduce class size, teachers would have more time to spend with these kids, and they can do better. Today, on the House side, our Republican colleagues cut this—title I funding, \$264 million below the President's request.

I have to talk about this for a little while. This is unbelievable. Albeit, I was literally on this one, in a minority, but we had all this discussion about Ed-Flex and all that we were going to do with title I. At the same time, our title I funding for low-income children in our country is about a third of the level of what it should be if we were to reach all the kids. This is money that is used for teaching assistants, more teachers, more parent outreach, higher standards, and making sure that kids who fall behind can meet those standards. Today, we are essentially cutting title I. How could the \$66 million be used? We can hire a thousand teachers; we can put 44,000 new computers in the classrooms; we can buy textbooks for 1.2 million students; we can provide 53 million hot lunches for schoolchildren.

So I can't understand when some of my colleagues come out on the floor and say this is not the issue. This is the issue. These oil companies have been cheating. They haven't been paying their fair share of taxes. They were able to get some Senators to come out here as a favor to them and make sure they are able to continue to basically not pay their fair share of taxes. We give up \$66 million, and the choice becomes not the mom-and-pop operations, but huge, big, integrated oil companies.

Do I have sympathy on the side of big oil companies, or am I on the side of children? That is an easy question for me and the vast majority of people in this country to answer. It is interesting; when we talk about the whole issue of cheating the public, I want to point this out on the floor of the Senate. Now we are talking about cheating

the public. Now we are talking about the Interior Department wanting to basically put into effect the regulation that makes sure the big oil companies could not cheat the public. Now we are talking about an effort that basically is an effort to undo this regulation, undo the work of the Interior Department.

The Interior Department is essentially saying to people: You know what. We, as a Government agency, are going to make sure the oil companies pay their fair share, which is what people believe in. People get angry because they think we are well-connected, and if you make huge contributions—which is what my colleague from Wisconsin was talking about—and you are a heavy hitter and you have lobbyists, you can get special deals. People hate that. They get furious about it. I don't blame them.

I heard a lot about cheating and all the rest when we had the welfare debate. It is interesting. We have all this sympathy for the "poor," large oil companies. They come in here and, apparently, for some of my colleagues, we can't do enough for them, even when they are not paying their fair share. But you know, it is interesting; we never have any of the same sympathy for poor mothers and children.

I have been out on the floor of the Senate trying to get at least some honest policy evaluation of how this welfare bill is working. I get something passed on the Senate floor, and it is taken out in conference committee. As I was saying, how about some sympathy for others? Maybe if they are not as well connected, or maybe if they don't have all of the income, we still ought to care about them.

So if we hear from Families USA that since that welfare bill passed, there are 670,000 fewer children who have medical coverage, we ought to be concerned. If we hear from the U.S. Department of Agriculture that there has been a dramatic rise in the number of hungry and food-insecure families in the country, maybe we ought to be concerned. And if we know there has been about a 25-percent drop in food stamp participation, maybe we ought to be concerned.

If we hear that most of these mothers are getting jobs that are barely above minimum wage, and then they lose health care coverage and they don't find good child care for their children, maybe we should be concerned. If it is the case, as it is the case in Minnesota—and I will bet in a lot of other States as well—that we can't even make the rent subsidy program work any longer because there is no affordable low-income housing, so the fair market value is above what would make anybody eligible, and that people can't even find housing and they can't cash-flow—they would have to make \$12 or \$13 to be able to cash-flow to afford any affordable housing for themselves and their children, and if the most dramatic rise in the homeless

population is women and children, maybe we should have the same concern. But we don't.

We are concerned for these oil companies that have been caught cheating, but we are not concerned for low-income women and children. We are concerned for these oil companies that have been caught cheating. There is not enough we can do for them, but we are not concerned about funding title I. We are not concerned about making sure we fund low-income energy assistance. We are not concerned about making the investment to reduce class size. We are not concerned about affordable child care. We are not concerned about making sure that we fully fund and make the investment we ought to make in veterans' health care.

But we can't do enough for these oil companies that have been caught cheating.

I think this debate we have been having, this sort of fight on the floor of the Senate speaks volumes on what is at stake. Let me simply, one more time, repeat what I said earlier. This amendment is an outrageous provision offered to the Interior appropriations bill. What it does is it basically restricts the Interior Department from doing its job. What the Interior Department was trying to do was make sure the oil companies pay the full royalties for the oil they are drilling on Federal or Indian land. Therefore, we lose, roughly speaking, \$66 million a year. Therefore, the choice becomes: Do you hire a thousand teachers? Do you put 44,000 new computers into the classrooms? Do you buy textbooks for 1.2 million students? Do you provide 53 million hot lunches for schoolchildren? Or do you basically come down on the side of the big oil companies?

Well, I am proud to say on the floor of the Senate that I am not the Senator for the big oil companies or the big insurance companies or the pharmaceutical companies. They already have great representation in Washington, DC. It is the rest of the people who need it. That is what Senator BOXER has been trying to do—represent the rest of the people in this country. That is what I am proud to do out on the floor of the Senate.

It is interesting. October is going to be Domestic Violence Awareness Month. It is so important that in October we focus on the violence in families. About every 13 seconds a woman is beaten and battered in her home. A home is supposed to be a safe place. About every 13 seconds, that is a conservative figure. All too many children witness this violence, as well.

As it turns out, we also at this time are recognizing the 25th anniversary of Women's Advocates, which was the Nation's first battered women's shelter located in St. Paul, MN. I have a lot of pride when I talk about the staff and when I talk about the volunteers and the supporters of Women's Advocates.

In 1974, the doors of this shelter first opened for women and their children

who were seeking some respite from violence. It took a lot of courage and for women to stand up to this.

To date, this wonderful, special place has provided advocacy shelter and advocacy and support services to over 25,000 women and children. They spend countless hours teaching our schoolchildren and community members about the impact. Women's Advocates stands as a pillar of grace and triumph. I hail executive director, Elizabeth Wolf, and all the courageous women.

But what is interesting to me—I raise this question because, again, I come out on the floor of the Senate and I say: Can't we do more to try to stop this violence? Can't we have more safe visitation centers to protect children and women? Can't we make sure we do more by way of supporting children who witness this violence in their homes—some 3 to 5 million children? Can't we do more to make sure these women who have been battered and who have experienced this violence can afford housing when they leave these shelters? Do you know what the answer is from my colleagues? No. We can't make that investment. We don't have the money. But when the oil companies that have been cheating and have been caught cheating come here and they say, please give us a special break, please give us a special favor, we find it easy to give them our sympathy and to give them what they want.

How interesting it is. This is an issue of representation. How interesting it is that when we are talking about children in our schools, when we are talking about working families that can't afford child care for their children, when we are talking about men and women who work in our child care centers and have to leave because they can't make a living wage, therefore, there is all this turnover—the Washington Post had an excellent piece about this not too long ago—and when we are talking about whether or not people who work almost 52 weeks a year, 40 hours a week, shouldn't be able to have a living wage and we should raise the minimum wage, or when we are talking about whether or not can't we do more by way of affordable houses, or when we are talking about how we can't expand the Pell grant program to make sure higher education is more affordable, we don't have any sympathy; we don't have any resources; there is nothing we can do.

But when it comes to these big oil companies, when they come here and they say, please give us a special favor, we have been cheating and now the Interior Department is going to say we can't cheat any longer and we have to pay our fair share of taxes, we ask you to fix that. That is exactly what the crux of the amendment is. That is exactly why we are speaking on the floor with a tremendous amount of indignation.

The question becomes one of representation. I think this actually is what my colleague from Wisconsin was

trying to speak to. Why do the wage earners, these working families, these children and women who are experiencing violence, children who witness that violence, why don't their concerns seem to carry any weight and yet the concerns of the poor large oil companies that have been caught cheating seem to matter? What is going on here?

I think this is a huge problem. I think this has everything in the world to do with the need for reform. This has to do with a mix of money and politics. This has to do with: Who are the players? Who are the contributors? Who are the heavy hitters? Who are the well connected? Who can get Senators to do their bidding?

I tell you, it is outrageous. That is why I am on the floor to say it is outrageous. It is absolutely outrageous.

I have another question. I have a different question. This one is very near and dear to my heart.

Why do we have all of this concern for these poor big oil companies that have been caught cheating and don't want to pay their fair share but we don't have the same concern for family farmers who right now are going under? We are going to lose another 6.57 percent of our family farmers in Minnesota. These producers are going to go under. We want to come out here and we want to say raise the loan rate.

I say to my colleague from Michigan, I would be pleased to finish up a little bit earlier. I will finish up in a few minutes. I have other colleagues wanting to speak. I will make one final point.

Mr. President, I ask unanimous consent that my colleague from Michigan be allowed to follow me. I still have the floor.

The PRESIDING OFFICER. Is there objection?

Mr. GRAMM. Mr. President, I object.

Mr. WELLSTONE. Mr. President, I will take my time.

Let me simply raise another question, which is if we have all of this concern for these big oil companies, and we want to prevent the Interior Department from making sure they can pay full royalties, then why don't we have the same concern for family farmers in the State of Minnesota? Why don't we have the same concern for the producers in my State? Many of us from the farm States want to come out here and we want to talk about raising the loan rate. I have a proposal that I want an up-or-down vote on to put a moratorium on these acquisitions and these mergers.

We want to talk about antitrust action. We want to talk about fair trade policy. We want to know why the conference committee can't even get the emergency assistance to our farmers who are going under.

But it seems as if when it comes to family farmers in Minnesota, or, for that matter, Illinois, or in our country, or when it comes to education for children, or when it comes to veterans' health care, or when it comes to low-

income energy assistance, or when it comes to affordable housing, or when it comes to what we can do about reducing violence in homes, the brunt of the violence directed at women and children, we don't have very much sympathy. But we have all of the sympathy in the world for these poor oil companies that have been caught cheating because, after all, they are the ones that are the well connected. They are the ones that have the resources. They are the ones that seem to make a difference.

Mr. LEVIN. Mr. President, I wonder if the Senator from Minnesota will yield for a unanimous consent.

Mr. WELLSTONE. I am pleased to yield for a question. I would like to keep the floor.

Mr. LEVIN. Will the Senator yield for a unanimous consent request?

Mr. WELLSTONE. I am pleased to keep the floor and yield for a unanimous consent request.

Mr. LEVIN. Mr. President, I ask unanimous consent—if the Senator from Minnesota would be able to do this—that the Senator from Minnesota yield within the next few minutes to the Senator from Texas for 10 minutes, and then to the Senator from Michigan for 10 minutes, and then, if the Senator from Minnesota is still on the floor after giving us the time, the floor go back to the Senator from Minnesota until 4:15, at which point the floor would be yielded to the Senator from Texas, Mrs. HUTCHISON, or her designee.

Mr. WELLSTONE. Mr. President, there is so much more I want to say right now, but I am pleased to yield to that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. HUTCHISON. Mr. President, at 4:15 Senator DOMENICI or I will be recognized and we will use approximately 45 minutes of our time.

Mr. WELLSTONE. And I have how much time after?

Mr. LEVIN. Let me state the unanimous consent request.

Mrs. HUTCHISON. Fifteen minutes, from 4 to 4:15, is what the Senator would have.

Mr. LEVIN. Let me state the unanimous consent request. I ask unanimous consent that Senator GRAMM have 10 minutes at this time, then I have 10 minutes, the floor go back to Senator WELLSTONE until 4:15, then it go to Senator HUTCHISON or her designee at 4:15, and any time remaining to Senator WELLSTONE on his hour at 4:15 that he retain.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Could I take 30 seconds to summarize?

Mr. LEVIN. I add that Senator WELLSTONE take whatever number of minutes he wishes to summarize. That comes off my 10 minutes.

I thank the Senator from Minnesota. I know how difficult it is. He is into some very important material, and it is an intrusion, but it accommodates a number of Senators.

Mr. WELLSTONE. Mr. President, I ask the question, How does it come to be that these large oil companies have generated so much of our sympathy, have enlisted so much of our sympathy? They have been caught. Let me repeat that: They have been caught underpaying their royalties. They have been cheating. And we have all of the sympathy for these big oil companies.

But when it comes to children, when it comes to family farmers, when it comes to doing something about reducing violence in homes, when it comes to raising the minimum wage, when it comes to affordable child care, when it comes to affordable health care, when it comes to so many of the issues so important to families in our country, we don't seem to have the same sympathy.

This debate goes to the heart of what is at stake in the Senate. What is at stake is, Whom do we represent? Are we Senators for the big oil companies or are we Senators for the vast majority of citizens in our country who are asking Senators to get serious with good public policy that will make a difference for them, make a difference for their children, make a big difference for our communities?

That is what this is about. Do we have representative democracy where the vast majority of people are heard or do we have a system where we have democracy for the few, where the big oil companies come here and work out their special deals? That is what they have done, America. That is so outrageous. That is what is so unconscionable. That is why we are taking the time this afternoon to make sure every single citizen in this country understands what has happened here.

I yield the floor.

The PRESIDING OFFICER. Senator GRAMM of Texas.

Mr. GRAMM. Mr. President, what a pity it is that America today is focused on the fact that the President has vetoed the tax bill and is not paying a bit of attention to this debate. So much passion, it is a shame it is wasted, but it is.

The President has vetoed the tax bill. It means the average working couple in America will bear \$1,400 a year of marriage penalty because the President doesn't believe they ought to get relief. It means all over America people who inherit family farms and small businesses from their parents, who worked a lifetime to build the farms and businesses up, will have to sell them to give the Government 55 cents out of every dollar of value for which their parents worked a lifetime.

Because the President has vetoed the tax bill, it means we are not going to have a small across-the-board tax cut for every working American who pays income taxes. Because the President vetoed the tax bill, we are not going to make health insurance deductible for Joe and Sarah Brown, the same as it is deductible for General Motors or General Electric.



We know, based on the makeup of the House and Senate and based on the votes of our Democrat colleagues who have been steadfastly opposed to cutting taxes for working families, that we can't override the President's veto. So the tax debate is over.

Thank goodness we will have a new President in 15 months. The American people are going to get to vote in part on whether or not Government ought to spend a surplus or give part of it back. When they vote, we will vote again.

I say this to the President: I hope the President will not send down to Congress more spending bills, because they will pass over my cold, dead political body. I hope the President is not going to propose raising taxes and spending money because they are going to pass over my cold, dead political body. We can't make Bill Clinton cut taxes, but we can stop him from spending the Social Security surplus. That is exactly what we are going to do.

We are going to hear all kinds of whining from the White House about how the President has "got to, got to, got to" have more money, even though we are spending more than ever in American history. He has to have more, and we have to steal it from Social Security or raise taxes to pay for it. It is not going to happen. End of that debate.

Now, I want to say I have never, since I have been in the Senate, seen a debate so out of kilter with the real issue that is before the Senate. Quite frankly, I have seen few debates that are as mean-spirited as this debate.

Here is the issue in a nutshell: For 4 years, the Congress has decided, when we wrote a law setting out royalties on oil production that would be paid to the Federal Government and establishing a system to collect them, we meant what we said; that when the Government entered into contracts with people, that those contracts were binding; and that if people wanted to raise those royalties, that ought to be voted on in Congress. After all, we went to the inconvenience to run for public office, and the Constitution says Congress shall have the power to raise taxes and to spend money.

It must be wonderful to have all these things my colleagues hate—big oil, big medicine, big pharmaceuticals—but we are talking about \$22 million a year worth of royalties. This is not about money, this is about principle. It is about whether or not Congress ought to set the law and whether Congress has the power to tax, or whether the Federal bureaucracy, through its own power and by its own agenda, with no support from Congress, can override Congress' will and make law.

I am proud of my dear, wonderful colleague from Texas. I love my colleague from Texas because she is tough. I have never seen an issue so demagogued as this issue. I have to say to her, she has not backed up an inch and she has won.

I think it is a great testament to her courage and to her toughness. I congratulate her on both.

The issue is not big oil versus schoolchildren. If the Federal Government raises royalties and therefore raises the deliverable price at the filling station, or when you buy home heating oil, who pays for it? Who pays for it is working men and women. That is food, clothing, shelter, and education they take away from their children.

This is not an issue about oil companies versus children; this is an issue of whether we want to take an action through regulation on which Congress constitutionally should be voting.

Second, do we want to raise those prices? I do not. In terms of all of this stuff, big oil and political power, they do not have anything to do with this debate. This debate is about whether or not the Mineral Management Service should have unilateral powers to change royalty rates, or whether Congress, which set the rates to begin with, established the process, should have the power to make those changes if they choose.

Our Democrat colleagues use terms such as "fairness" and "big oil" and "excess profits." It all reminds me of when their policy was in effect under President Carter, and we all waited in line to buy gasoline; when their policy was in force under President Carter and we had double-digit inflation. Maybe they want to go back to that. I do not. But to turn this into some kind of political shouting match when we are talking about a debate that involves \$22 million a year, which is a small amount but a fundamental principle of American government which is beyond setting a price on, and that is who makes the law in this country? Does the bureaucracy make law or does the Congress make law?

Our colleague from Texas has, for 4 years in a row, set out in law the principle that Congress made the law to begin with, and when we are ready to change it, we will change it. We do not need the Clinton administration acting as executive branch, legislative branch, and regulator all combined.

So I say to my colleague, I am proud of what she has done. I am proud that she has won, and all the whining and all the moaning and all the groaning does not change the fact that the Senator from Texas stands on the firmest ground that you could stand on, on the floor of the Senate. The Constitution, in article I, gives Congress the power to impose taxes. It does not give the Mineral Management Service the power to impose taxes. Nor will we ever give them that power. That is what this issue is about. I think we demean the legislative process and demean debate by trying to turn this into something that it is not.

I know someone from the Mineral Management Service has said—and our colleague from Texas is going to give the exact quote—that we need this issue to demagog. Maybe they need

this issue to demagog. But this is the greatest deliberative body in the history of the world. Here we are supposed to be debating real issues.

Mrs. HUTCHISON. Mr. President, will the Senator yield?

Mr. GRAMM. I will be happy to yield.

Mrs. HUTCHISON. Is the Senator referring to the quote from Michael Gaudlin of the Department of the Interior, Communications Director, quoted in *Inside Energy* magazine, November 2, 1998, in which he said, "We're sticking to the position we've taken." "It gives us an issue to demagog for another year."

Is that what he is referring to?

Mr. GRAMM. Will my colleague read what the quote said again? I want to be sure that is what I was referring to.

Mrs. HUTCHISON. Michael Gaudlin of Department of the Interior, Communications Director, quoted in *Inside Energy* magazine, November 2, 1998, in which he said, "We're sticking to the position we've taken." "It gives us an issue to demagog for another year."

Mr. GRAMM. That is the quote I am talking about. I thank our colleague for using it.

Let me say this. He can demagog all he wants to. But if he wants to raise taxes, let me suggest to him he quit his job, go back wherever he is from, and that he convince millions of people to elect him to the Senate. Then he can come up here and vote to raise taxes. But as long as he is there and not here, I do not care what he thinks about taxes. It is not his duty to raise them.

I yield the floor.

The PRESIDING OFFICER. The 10 minutes of the Senator have expired. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, it is very interesting that we have had such a focus on Congress having the power rather than the bureaucracy having the power. Many of us worked very hard in this body, including, I believe, the Senator from Texas, to make sure Congress would have the power to review regulation and to review rules. We have a Congressional Accountability Act. It is pretty new. We do not use it very often, but it is there. For 60 days after the Interior Department adopts a rule, if we will let them adopt the rule, we have the power to override that rule by expedited procedure.

So if my good friend from Texas really wants Congress to be in the position that we can override the rule if we ever permit the rule to be adopted, we have that power. We worked hard to get that power in law. It took us many years to get that power in law. It is called congressional accountability, congressional review, and the rulemaking process that the Interior Department is following is a rulemaking process that we told them to follow. We are not going to let them finish it, apparently. The argument we now hear is we are not going to let them finish it because we have the power. We should have the power, not the bureaucracy.

The problem with that argument is it ignores the fact that if we did let them finish, which we should, their rule-making process, we would have the power to override a rule of the Department of the Interior. For 60 days we have expedited procedures that will permit us to override their rule. So that argument does not wash.

The part of this that really intrigues me the most is what so-called integrated oil companies have been able to get away with by basically setting their own prices instead of using market price. I was really intrigued by this. I was not into this issue until a few months ago, really. I started reading some editorials. I started reading the congressional speeches here in the Senate of Senator BOXER and others.

I asked the Interior Department. I said: Can you give me some examples where you have an integrated oil company and an independent oil company that are drilling the same oil from public lands and paying us different royalties; where the price they are setting in an integrated company on the one hand, and an independent company on the other hand, are different for the same oil from adjacent lands, both being public lands, of course? Because then, if you have different prices being set for the same oil, you have overwhelming evidence that we are being cheated. Either that or the independents are paying more than they should, which is a pretty unlikely thing because they are going by the market price. They are going by what they get for the oil in an arm's length transaction.

So on the one hand, you have independents with an arm's length transaction, which is what the law is. Then we have the integrateds coming along, saying the prices are going to be a lot different based on what they are charging themselves.

So I asked the Department of the Interior to take a look at areas on public lands where you have independents and integrated oil companies right next to each other drilling for the same oil. Is there a price differential?

Here are the numbers they give me. It is to me powerful evidence that we are being cheated because from the same lease, the same oil field, the same oil, in 6 months in 1999, we get different prices, and in every case the price that is being set by the integrated company is less than the market price which was established by the independent in its arm's length transaction.

How do we justify this? How does an integrated company justify that? In January 1999, three different fields: Colorado, New Mexico, and the Gulf of Mexico. Sales price, dollars per barrel, the independent: \$12.43. That was the market price. That was the price they were paid on the market for that oil. The same lease, same oil field, same oil the integrated company is basing their royalty to us on: \$11.83.

February, the independent, arm's length transaction, getting \$11.97 and

paying a royalty based on that. What does the integrated company base its royalty on? When it sells it to itself: \$11.36.

March of 1999, Colorado, same lease, same field, same oil in terms of quality, you have the same oil. The independent, he is basing the royalty to us on \$14.60. The integrated company is basing its royalty to us on \$14.08.

April, same story; May, same story; June, same story. That's Colorado, the first 6 months of 1999.

I asked them to give me some examples. I told them not to pick and choose; give me examples which are typical examples where you have oil sales, same lease, same field, same quality oil next to each other. That is in what I am interested.

This is the New Mexico field. It has the same kind of price structure. The independent sells it for \$11.74. The integrated company is paying us on \$9.83.

In February, New Mexico, the independent company paid, arm's length transaction, \$11.53. The integrated company is basing a royalty to us on \$10.16.

Something is fundamentally wrong here. The Senator from California and others, it seems to me, have demonstrated in a very clear, dramatic fashion that something is wrong, but when you break it down and ask the Interior Department to give us some more evidence, give us evidence of the differences in the amount on which royalties are based, where the field is the same field, where the lease is the same field—these are public lands. This oil does not belong to the oil companies; it belongs to the people of the United States. They are on our land. This is not a tax; it is a royalty for our property. We own it. It is ours and we let the oil companies drill on it.

What did they come up with? Gulf of Mexico, same field, same lease, the independent company, arm's length transaction gets \$11.19. The integrated company, selling to itself, is basing its royalty on \$10.49. There is a lot of evidence of these miscalculations by these integrated companies so they pay less royalties.

What could be more compelling evidence when you have oil being drawn from the same field, the same lease right next to each other on a public land? How much more compelling evidence do we need before we finally say to the Interior Department: Go ahead, do your rule.

In closing, I remind our colleagues of one other thing and it is where I started. What we hear from the Senator from Texas is we should do this, not the bureaucracy. We have the power to override the bureaucracy under this new process which so many of us worked so hard to put in place so we are accountable, not the bureaucracy. It used to be called legislative review. Before that, we thought we had a legislative veto, but that was overridden by the Supreme Court. Now it is called the Congressional Accountability Act. For

60 days, if we will let the Interior Department follow the process, we then have the power, under expedited procedures, to override any final rule they may adopt.

This effort is to truncate that, to cut it off so they cannot follow the rule-making process. That is what this effort is all about.

What it will stop is the elimination of this absurdity. It is absurd for the same oil, for the same field to be charged at different amounts. It is obvious what is going on. The independent companies, because they are selling on the market, have a very clear objective, outside way of determining market value.

Mrs. BOXER. Will the Senator yield?

Mr. LEVIN. I will be happy to yield.

Mrs. BOXER. It is my understanding that Senator WELLSTONE was going to be here at 4. He has yielded the extra time until 4:15 to the Senator from Michigan. I want to engage him in a couple questions, if there is no objection, and then at 4:15, we will go to Senator DOMENICI or Senator HUTCHISON's person of choice.

Mrs. HUTCHISON. Mr. President, I say to the Senator from California, I certainly will not object, but I have one other Senator who has also asked for time.

Mrs. BOXER. Go right ahead and make a UC request.

Mrs. HUTCHISON. I ask unanimous consent that at 5 o'clock I have 5 minutes for Senator BROWNBACK and 5 minutes for Senator ENZI, and then perhaps Senator GRAHAM can come after that.

Mrs. BOXER. I agree, if we can say after the Senators have spoken then we go to my designee for a period of up to 30 minutes. Is that all right, since the Senator is going to have the next hour?

Mrs. HUTCHISON. I ask unanimous consent that I have the hour from 4:15 to 5:15, and then the Senator from California will have the next 30 minutes.

Mrs. BOXER. That is fine.

Mrs. HUTCHISON. I propose that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. BOXER. We are winding down.

Mr. LEVIN. Mr. President, I ask unanimous consent that a copy of this chart be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### AN INDEFENSIBLE GAP

Sales month and company	Colorado sales price (\$/barrel)	New Mexico sales price (\$/barrel)	Gulf of Mexico (sales price (\$/ barrel))
January 1999			
Independent .....	12.43	11.74	11.19
Integrated .....	11.83	9.83	10.49
February 1999			
Independent .....	11.97	11.53	10.93
Integrated .....	11.36	10.16	10.35
March 1999			
Independent .....	14.60	14.09	13.01
Integrated .....	14.08	11.13	12.77
April 1999			
Independent .....	17.28	16.43	15.44
Integrated .....	16.61	14.00	15.34
May 1999			
Independent .....	17.80	17.20	16.65
Integrated .....	17.11	15.83	15.94

## AN INDEFENSIBLE GAP—Continued

Sales month and company	Colorado sales price (\$/barrel)	New Mexico sales price (\$/barrel)	Gulf of Mexico (sales price (\$/ barrel))
June 1999			
Independent .....	18.16	(1)	16.21
Integrated .....	17.31	16.62	16.04

<sup>1</sup> Not reported.

Oil Sales are from the same lease, same field, and same oil for six months in 1999, for Colorado, New Mexico, and the Gulf of Mexico, respectively.

Mrs. BOXER. Mr. President, understanding the Senator from Michigan now has about 9 minutes remaining, I want to ask him a couple of questions.

First, I thank him very much for his contributions to this debate. I know my friend from Michigan is very meticulous. He was interested in finding a specific case to point to where oil was drilled on very similar lands very close to each other where the oil companies listed different market prices. He asked the Interior Department for that. It was a struggle to get it, and he got it.

I say to my friend, if he can hold up the ARCO chart, I want to try to translate what he has taught us in the specifics to the more general, which is this: Does my friend from Michigan not conclude, after his presentation, there is convincing evidence that a small percentage of the oil companies—namely, those that are integrated and wind up having the first point of sale essentially with themselves—have been consistently undervaluing the price of the oil on which they pay their royalties, and that, in fact, what happens then is that the taxpayers who, as my friend has pointed out, own this land, it belongs to the people of the United States of America, thereby get cheated by that differential? And that is explained on the chart. In other words, the market price is continuously higher than the oil company's posted price, the price on which these 5 percent of the companies pay the royalties. Is that not a fair summary of what is happening?

Mr. LEVIN. That is what is happening. What the Interior Department has done for me at my request is to take a look at situations, as the Senator from California said, where we have oil being drilled under the same lease, the same field so we know it is the same quality oil, next to each other by two different companies, one of which is the 5 percent, the integrated company which is setting its own price, and the other by one of the independents, and to compare the market prices which are set on which the royalty is based.

I told them to give me typical examples. Do not pick and choose. Give me typical examples. The typical examples are on the chart. They show a range of differences in sale prices from 10 cents minimum to \$2.99 per barrel. When you put that over the entire country for one company, you come up with this kind of a situation where you have a market price the independents are paying and then you have a posted price by

an integrated company, which is below that consistently.

It is wrong, and we have to end it. The Senator from California is leading an effort to end that. We ought to permit the Interior Department to complete its rulemaking process, and then, if a majority of this Congress thinks they have not done this properly, we have a way to override it. We are the final determinants, not the bureaucracy, and we have that power.

We, obviously, do not want to see what this will result in because some of us very clearly want this situation to continue. It is an unfair situation to the taxpayers. It is discriminatory against companies that pay royalties, by the way, based on arm's length market price setting. It is not even fair to them. It is not fair to the States that also get part of these resources.

We are not talking about a tax. This is not a business or an individual being taxed. This is oil that is owned by the public.

The business is owned by an individual. It is a private business. The oil being drilled is publicly owned oil. So there is a major difference between this and a tax.

Mrs. BOXER. I know my friend needs to run off. I ask unanimous consent that I can finish up this portion of my time, and at 4:15 go to Senator HUTCHISON, if there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. BOXER. I thank my friend, again, as he runs off to a very important meeting, and say he is so right. A royalty is not a tax; it is an agreement. It is a payment made by oil companies that have the privilege of drilling on the property which belongs to the United States of America. Those funds go to the Federal Treasury. Part of them go to the State treasury, and they are used for environmental purposes and for purposes of education.

I would like to complete my time that remains at this point—reserving the remainder that I have. I have a long time left. I do not intend to use all of that time. I hope soon we will have a chance to make an agreement when this would come to an end, this whole debate. We are not there yet. We are finding out how many colleagues want to come over.

But there was a comment made on the floor about the Senator from California by a few of my colleagues. I do not mind them saying whatever they wish. I do not have any desire to stop them because I can take care of myself. But I want to respond to the statements that were made.

The point we have been making consistently on our side is that when the oil companies do not pay their fair share of royalties, the Treasury is robbed of funds that are necessary for the environment and for education. My colleagues said—particularly Senator CRAIG said; and he did not give me the chance to respond, so I want to respond now—that Senator BOXER here is com-

plaining that the oil companies aren't paying their fair share of royalties, and yet she leads the fight against offshore oil drilling in her State—which, by the way, I am extremely proud he mentioned—and she does not want to cut down our trees—which I am very happy to mention because I think that is our heritage.

The point is, that is not what this is about because this Senator from California wants a strong California economy. What that means is, you preserve the forest, you preserve the beautiful redwood trees, you preserve the beautiful environment. Because if you allow indiscriminate and additional offshore oil drilling—we have plenty going on right now. How many leases? Forty leases are being drilled. If we allow more, it destroys our economy.

Tourism is our No. 1 important economic resource, so if we destroy that, we are done for. So by my fighting to limit offshore oil drilling, by my fighting not to allow indiscriminate cutting down of beautiful old-growth trees, I am, in fact, preserving the economy and increasing the revenues that go to my State.

What are we left with? We are left with what the oil companies have to pay for the offshore oil tracts that they are drilling and the onshore oil tracts that they are drilling currently. This isn't an argument about new drilling. This isn't an argument about new cutting down of trees. This is an argument about the status quo. We have many leases in California that are being drilled.

We expect the oil companies to be good public citizens. We expect the oil companies to pay their fair share. The good news is that 95 percent of them are paying their fair share. Good for them. They are good corporate citizens. They are doing the right thing. There are about 777 oil companies that are doing the right thing, that are paying the fair market value. Unfortunately, there are about 44 companies that are not.

The Hutchison amendment, which is supported by the Senator from New Mexico, and many others, allows those 44 companies to continue to underpay this royalty payment. It is time to put a stop to this, my friends. I hope we will do that. I am not very hopeful, in essence, that this will happen, but maybe some people listening to this debate will have a change of heart, and maybe in the vote we will get into the 40s today. Maybe that will send a signal that this is a tough call.

I see my friend from New Mexico has come to the floor, and under the unanimous consent agreement, my friend from Texas now has full right to give her time to anyone she wants at 4:15. So I yield the floor and get it back at 5:15.

I thank my colleagues for their patience.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Texas.

Mrs. HUTCHISON. I yield up to 15 minutes to my colleague from New Mexico, who is the cosponsor of this amendment and who is doing a super job of not only explaining this but also working on the balanced budget that is so important for our country. In fact, the reason he has not been on the floor with me today is because he is working so hard to make sure we do keep the balanced budget, that we do try to make sure we are responsible stewards of the taxpayer dollars.

I commend him for all he does for our country and yield him up to 15 minutes.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I first thank Senator HUTCHISON for her kind remarks. I tell her, as cosponsor, what a pleasure it is to work with her. We have been sponsor or cosponsor—depending on the year—of this measure for the last 3 years. Hang in there, I say to the Senator. We have not lost yet. We will not lose this time either because we are right.

I want to give a quick summary of the issues, as I see them. When you get right down to it, it isn't all that complicated.

First, we need to have new MMS regulations, but the regulations they steadfastly insist on putting forth are fatally flawed. During the moratorium that the Congress has imposed, several of us—Senators LANDRIEU, NICKLES, THOMAS, HUTCHISON, ENZI, BREAU, MURKOWSKI, and others—have tried to get the agency to fix the regulations, and they stubbornly refuse. In fact, at the request of the administration, we have all sat around the table on at least two occasions, if not more, with the MMS people and the oil people, sitting around talking about the flaws in it, as the industry sees it. But they refuse to take care of the real problems and stubbornly insist they are right.

Procedurally, the regulation writing process has been tainted. Let me make sure everybody understands that. People involved in writing the regulations were taking \$350,000 payments from the Project on Government Oversight, POGO. When the procedure is contaminated, the best way to proceed is to discard the tainted work product and start over. That is why we have a country with laws. Process is important. People writing regulations are not supposed to be paid by someone who has an interest in the outcome.

Can you imagine if the Senate were debating an issue and the shoe was on the other foot what we would be hearing here on the floor? If somebody had taken money, in this case, from the oil or gas companies, think where we would be. The whole process would be thrown out. We need to get to the bottom of the \$350,000 payments from the Project on Government Oversight, which is known as POGO.

Senators MURKOWSKI, HUTCHISON, NICKLES, and I have written several letters to Secretary Babbitt on this issue.

Because of the procedural irregularities alone, the moratorium should remain in place until satisfactory answers are provided regarding the wrongdoing. It has been months, and we really have no satisfactory explanation.

That is absurd. No other description is accurate. These MMS regulations are unworkable, arbitrary, complicated, and beyond what they ought to be. One producer with one well with one kind of oil would have to value his oil in 10 different ways. There is no justification for such complexity. It can only be labeled an abuse of power.

In addition, the MMS could even second guess, audit, and sue that producer on seven different theories. This is a scheme that is unnecessarily complicated and plainly unworkable. We ought to be able to do better. Regardless of which industry is on the other side of this, we ought to be able to do it better and make it workable. My conclusion is that these regulations are borderline absurd.

The proposed rules exceed the MMS authority. These regulations raise royalty rates by imposing a nonexistent and recently quasi-judicially rejected duty to market. The proposed rules are premised on a rejected legal theory called duty to market.

The relationship between the producer and the MMS is spelled out in the lease. It is a concise document defining the responsibility and duties of the producer and the MMS. Oil is valued at the lease, period. That is what the lease says. The lease is based upon statutory language in the law.

The Mineral Lands Act, 30 USC 226(b), which governs leases for onshore Federal lands, specifically states:

A lease shall be conditioned upon the payment of a royalty rate of not less than 12.5 percent of amount or value of the production removed or sold from the lease; [that is] at the time the oil is removed from the well.

That is the definition.

The Outer Continental Shelf Lands Act, 43 USC 1331, et seq., governs Federal leases for drilling offshore. The act requires offshore leases to pay:

A royalty to the lessor on oil and gas . . . saved, removed or sold from the lease.

By regulation, MMS wants to unilaterally rewrite the leases and the law and create a duty to market out of thin air. Duty to market is Government mooching because it wants to increase the royalty amount owed but will not allow a deduction for the costs incurred in getting the higher price.

In other words, they would like the higher of the prices at the wellhead or at some other point. And if the higher one happens to be downstream with a lot of costs involved in getting it there, they don't even want to permit you to deduct the cost of getting it from the wellhead to the downstream or upstream source. They want to get the highest royalty and, thus, make the business swallow, without deductibility, the cost of getting it there.

We don't do that anywhere in American capitalism. We don't do it in our

IRS. We don't do it in simple, good CPA accounting procedures.

By analogy, under today's law, the MMS bases its royalty valuation on essentially the wholesale price for the oil. Under the proposed rule, they are basing the royalty on the retail price, which is not authorized by Federal law. The rule does not allow certain transportation and other costs necessary to get the higher price to be deducted from the royalty payment.

When I went to law school, I was taught that one party couldn't unilaterally change a contract. When I went to law school, regulations were to implement, not rewrite, the law. Regulations were to be consistent with the law. I was taught that agencies did not have the authority to rewrite contracts through regulations. MMS lawyers must have missed that week of law school because that is exactly what they are trying to do now. If MMS can change contracts through regulation, in direct violation of the law of the land, why can't other agencies do the same?

For example, why can't Medicare unilaterally, without congressional approval, change its contract with Medicare recipients and say: You have a duty to stay well; Medicare won't pay your Medicare bills because you breached your duty to stay well? That would be absurd, just as this new way of charging royalties is absurd.

If we allow MMS to change the royalty rate, there is nothing to keep the IRS from saying: We want to get more money from American families. So they will issue some complicated regulations and raise their taxes. That would be a usurpation of the exclusive role of Congress. What MMS is trying to do is a usurpation of the exclusive jurisdiction of the Congress.

There is no duty to market in the lease. There is no court-ordered duty to market in the law of the land. It is a figment of the "tax-raising imagination" of MMS. They want to raise royalty rates, and that is it. Creating a duty to market when none exists usurps the prerogatives of the Congress and ignores the precedents set by the Department's own review board.

In May, the Interior Board of Land Appeals, known as the IBLA, ruled that there was no duty to market in a case known as Seagull Energy Corporation, Case No. 148 IBLA 3100 (1999). The IBLA has the expertise in these royalty cases. This was a 1999 case before the IBLA.

Secretary Babbitt reversed that in a case involving Texaco, Case No. MMS-92-0306-0&G. The Secretary unilaterally, and in direct contravention of the moratorium imposed by this committee, overruled its own Board of Land Appeals.

I want to commend Senator NICKLES for developing legislation to clarify the authority MMS has regarding oil royalty valuation. Simply stated—and I believe he is right—it stands for the proposition that there has never been,

is not, nor ever shall be a duty to market. If you read a Federal oil and gas lease, there is no mention of a duty to market. It has been the Mineral Management Service position that the duty to market is an implied covenant in the lease. This legislation says the MMS is wrong. That is what the legislation Senator NICKLES has introduced, working its way through Congress, says.

Let me back up and explain the issue and why this legislation is needed. Oil and gas producers doing business on Federal leases pay royalties to the Federal Government based on fair market value. Under this administration, this is easier said than done.

One of the longstanding disputes between Congress and the MMS has been the development of workable royalty valuation regulations that can articulate just exactly what fair market value is.

Cynthia Quarterman, former director of MMS, set out the Interior Department's position that fair market value includes a duty to market the lease production for the mutual benefit of the lessee and the lessor but without the Federal Government paying its share of the costs. Many of these costs are transportation costs, and they are significant. MMS calls it a duty to market. I believe it is the Federal Government mooching, trying to get paid without bearing its share of the cost.

The bill states congressional intent: No duty to market; no Federal Government mooching.

Let me be clear: Where there is a duty to market, it is a matter exclusively within the jurisdiction of the Congress. It is not the job of lawyers at MMS to raise the congressionally set royalty rate through the back door. The so-called duty to market is a back-door royalty increase, and there can be no doubt about it. The MMS has been unable to develop workable royalty valuation rules, and Congress has had to impose a moratorium on these regulations. The core issue has been the duty to market, and I believe I have explained why this is a serious problem.

Nobody is attempting to do anyone a favor. Nobody is attempting to be prejudicial toward the MMS and the Federal Government's tax take. What we are talking about is simple, plain fairness. I won't say equity, because as a matter of fact it is law, not equity, that sets this. It is probably equitable also.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I thank the Senator from New Mexico because we have talked earlier about taxing expenses. That is exactly what he is talking about. The idea that we would introduce into tax policy in this country the taxation of expenses is, A, outrageous, and, B, if it is going to be done, let us do it straight up; let us let Congress pass a law saying we are going to tax expenses. It won't just be

oil companies; it will be other companies as well.

Of course, I think that is a bad policy because I can't imagine we would do something that would hurt our economy anymore. Nevertheless, if we are going to do it, it certainly shouldn't be done by a Federal agency that isn't accountable to anyone. I don't think Congress would be doing its responsibility if we allowed that to happen without our imprimatur.

I thank the Senator from New Mexico for clarifying the duty to market.

It is a very important technical point that is just one more showing of why this is so unfair and why we must do something to correct it.

I want to make a quick announcement, and then I am going to yield up to 10 minutes to the senior Senator from Louisiana.

For the information of all Senators, the Senator from California and I have talked about how much longer this debate would go. It appears that we have an agreement that we would be looking at two stacked votes between 6 and 6:15 tonight, one on the Hutchison amendment, and one on final passage of the Interior appropriations bill, which has been so ably led by the occupant of the chair.

With that, I yield up to 10 minutes to the Senator from Louisiana, who has been a great ally in this fight. There is nobody who understands the importance of oil jobs to our country and the stability of energy in our country than the senior Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAU. Mr. President, I thank the Senator from Texas for yielding. I appreciate it very much. I really wasn't going to say anything again. I thought I said enough on this issue. I think the Senate probably has debated far too long on this issue.

What is surprising to me is what the arguments have been about. I don't think they are directly related to the issue at hand. I think it is important for us to try to understand what the issue is. Is it that we don't like oil companies, or is the issue that we like the environment, or is the issue that we don't like education, or that we do like education? No.

The issue is very simple and not complex at all. The law that was passed by the Congress—I was on the committee in the House that wrote the bill in 1976. We wrote the OCS Lands Act of 1976. We determined at that time that offshore oil companies that produce oil on Federal lands and the OCS would pay the General Treasury one-sixth of the value of the oil. That is the law; it is one-sixth of the value of the oil.

We established that back in 1976. It was one-eighth before that. Companies, every year, pay one-sixth of the fair market value of the oil. That doesn't go to the Land and Water Conservation Fund. It goes to the General Treasury. Congress then appropriates that money to the Land and Water Conservation

Fund, appropriates it for defense purposes, appropriates it for health purposes, and everything else Congress does.

That is what the companies have been paying every year—one-sixth of the fair market value of the oil. Last year, they paid about \$4.7 billion, I think, in royalties for the right to produce that oil on Federal lands in our country.

Now, the issue is a very narrow issue. How do you determine what the fair market value of the oil is? It is even more narrow than that. It is what a company is entitled to deduct in determining that fair market value.

I listened intently to my good friend, the Senator from Michigan, with his chart showing why independents paid one price and integrated major companies paid a different price for producing oil on the same adjacent leases. There is a very simple explanation of why that is the way it is. The Senator from Michigan would never argue with the fact that if a Michigan automobile company built a car in Detroit and then sold that car in Louisiana, that Michigan automobile manufacturer would not be able to add the cost of transporting that car to New Orleans to the price he got for the vehicle. Of course, the big company would be able to do that. That would be part of the cost of doing business. He would build the car in Michigan, transport it to New Orleans, sell it, and add the transportation cost to the price of the car. No one would think that would be unusual.

The same principle affects oil companies, as well. In determining the fair market value, you find out where they sell it. A legitimate deduction is transporting it to the place of the sale. The difference between the independent companies and the major companies in the same area is they sell it at different places. The independent will sell it when it comes out of the ground. He will sell it at the wellhead. An integrated company would not sell it at the wellhead but would put the oil in a transportation pipeline and send it to a point where it is sold down the line.

Would anybody argue that the cost of transporting the oil from the time it is brought out of the ground to the time it is eventually sold is not a legitimate cost of producing and selling that product? Of course, not. Just as the cost of transporting that car from Michigan to New Orleans is a legitimate cost of producing and selling it the first time you have a sale; it is a legitimate add-on to the price of the product. So, too, is the cost of transporting the oil from the well to the place of the first sale. It is a legitimate deduction for the cost of producing that product.

That is really what we are arguing about. The Department of the Interior and Minerals Management say they don't agree that a cost of transporting it should be a legitimate deduction, or maybe some of it should but not all of it. The companies say they think it all

should be deductible. The MMS says just part of it. That is the fight.

This fight is not about education or welfare or defense. It is a very narrow issue. The Senator from Texas is merely saying: Please, let's make them talk a little bit more about trying to resolve this very narrow issue. Oh, we can let the rule go through, and it is going to be litigated from here to who knows where. That is going to cost the Government and the taxpayers and the companies a lot of money, and it is not going to resolve anything—certainly not in 12 months. We will be in litigation in courts all over the country litigating what they think is a legitimate deduction versus what the company thinks.

The Senator from Texas has suggested we pause for 12 months and say negotiate out what is a legitimate deduction for transporting the oil from the time it is brought out of the ground to the time it reaches its first sale. There is nothing mysterious about that. We always argue with companies about what is and is not legitimate. My State has sued oil companies right and left, disagreeing on the interpretation of a legitimate deduction. The issue is whether you are going to allow transportation costs to be deducted or not. It is not whether or not you like oil companies. Hate them; I don't care.

The question is simply fairness about what a legitimate deduction should be with regard to determining the fair market value of the oil. Oil companies have said: Let's put an end to this. We will give you the oil and you sell it and determine the fair market value. The Government says: No, we don't want to do that; we want you to market it and get a fair market value for it.

It is not a question about anybody lying, cheating, stealing, or trying to rip off the Government, or anything else. Companies have an obligation to represent their stockholders and the millions of employees they have. The Government has an obligation to be fair. The only thing the amendment of the Senator from Texas says is, let's avoid litigation and quit fighting.

It is unfortunate that we got into a debate about whether we like oil companies or not. That is not the issue. Oil companies have paid ever since they have had production on Federal lands. Like I said, \$4.7 billion was paid just last year to the General Treasury, and rightfully so, as the cost of being able to produce energy on Federal lands. In my State and on other Federal lands around the coastal areas of this country, it will continue to be paid. It is a very narrow issue. This is not a monumental deal that we should be talking about. We should not be involved in cloture votes and arguing about something that is relatively so small.

Some of the Senators say \$88 million is being lost. It is not being lost. It is a dispute as to whether it is a legitimate deduction or not.

I think we eventually will pass the amendment and, hopefully, the oil

companies will sit down in the offices of the Interior Department and negotiate instead of meeting in courthouses and having to litigate. I just hope we can move on—adopt this measure and get on with the many other things that are more pressing than whether we should deduct transportation costs or not.

That is the only issue that is on the table. You can talk about anything else, but the issue is only what are legitimate transportation costs from the time the oil comes out of the ground to the time it is sold at the first sale. I suggest that this is not something that you tie up the Senate for as long as it has been. It should be negotiated out by technicians, lawyers, but it should be negotiated, not litigated.

I thank the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I thank the Senator from Louisiana. I think he has shown exactly what the problem is, why what is being proposed is so unfair, and why we on a bipartisan basis have said to the MMS: We want you to go back to the drawing board, and we want you to do something that is fair, simple and understandable, and then we will be supportive.

I thank him for his leadership in this area.

Mr. President, I yield up to 10 minutes for the distinguished Senator from Oklahoma, the assistant majority leader, Mr. NICKLES.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, first, I compliment my colleague from Texas, Senator HUTCHISON, for outstanding work on this issue, and also several other people who have spoken on the issue, including Senator DOMENICI and Senator GRAMM from Texas.

I have been a little disappointed in the tenor of the debate by people on the other side of this issue. In the Senate, we certainly have the right to have disagreements on issues, but in some cases sometimes debate is not a credit to the Senate. Everyone is entitled to their own opinion. But certainly some of the insinuations that have been made on the floor today—that people are doing this because they owe big oil or they received contributions—is very offensive to this Senator. I think Senators need to be very cognizant of the rules of the Senate not to impugn the integrity or the intentions of Senators.

In 1996, this Congress passed legislation called the Royalty Fairness and Simplification Act by an overwhelming margin with bipartisan support in the Senate. I sponsored the bill and it was supported by Democrats and signed by President Clinton. The purpose of that legislation was to simplify the royalty process.

The MMS rule proposal flies in the face of that action. The President signed the bill in 1996. The proposal now put out by the MMS is the opposite, it is not a simplification.

If you look at this chart, you can see that this rule is not workable. To insinuate that people who oppose this rule are beholden to big oil, or they are against schoolkids is wrong.

The MMS proposal on royalties simply will not work and to state on the floor that it is going to waste millions of dollars, and we are depriving kids is not factual.

If this rule goes into effect, it will be an invitation for litigation. Instead of the States getting more money, or cities getting more money, they will get more litigation. The attorneys handling the cases might make more money.

Then they imply that maybe they have evidence from whistleblowers showing intent to deceive. We know there are whistleblowers. In the recent case where one "whistleblower" testified, I hate to tell you that before a jury trial in Long Beach it was decided against the plaintiffs, against the city of Long Beach against the supposed whistleblower. That was a 14-year case. There have been three decisions, all of which big oil won. I doubt that the jury was trying to decide the case in favor of big oil. It so happens the jury decided that the claimants in this case were wrong.

Mrs. HUTCHISON. Mr. President, will the Senator yield for a question on that very point?

Mr. NICKLES. I am happy to yield.

Mrs. HUTCHISON. Mr. President, we have heard so much rhetoric on the Senate floor about a former ARCO employee who testified that the oil companies were trying to cheat the State of California and the Federal Government. In fact, that ARCO employee was the very same person who was involved in the Long Beach lawsuit about which the Senator is speaking. I ask the Senator if it isn't true that the jurors rejected his testimony?

Mr. NICKLES. The Senator is exactly right. I appreciate the clarification. That is the point I am making. When you hear the opponents of this amendment basing almost everything on this disgruntled employee, it just doesn't make sense. I didn't sit in on the case. I wasn't a juror. I was not involved in this case of 14 years. But I know the Exxon company won. Big oil won. The jurors decided that this disgruntled employee wasn't telling the truth, or didn't have a case.

When you look at the MMS proposed royalty scheme, you can say mistakes have been made. I will promise you that if we pass this MMS proposal as it now stands before us, you will have more litigation, more mistakes. It is an invitation for litigation. Sure, there will be some settlements and some wins and some losses. But this is not a workable situation.

I will mention that the present law is not as good as it should be and we certainly shouldn't make it worse. You shouldn't be changing the rules of the game and changing contracts. Every law of the land says royalty is based on



the value of oil at the lease. Now you have the MMS saying: Let's include "duty to market." What does that mean? We have had 50 years or more of experience—ever since we have been producing oil. We have the experience of collecting royalties based on the value of the oil at the lease. We don't know what "duty to market" means.

This is something new from the Clinton administration that I will assure you, if it becomes law will create more problems. If it does go into effect, two things will be wrong: One, MMS is not supposed to make law. We are the legislators. We are supposed to be the ones who make the law and not some unelected bureaucrat at MMS. It shouldn't become law, period. If this rule becomes final and is implemented, it wouldn't raise more money. It would create more litigation.

What I want on royalties is for them to be fair and simple and for the companies to pay exactly what they owe—no more, no less. The royalty rate is 12½ percent. If we want to raise it to 13 or 14 percent, that is a decision this Congress can make.

But to say we are going to keep the same percentage, yet we are going to have a new obligation called "duty to market," which includes marketing the oil away from the lease and other new obligations—which are kind of hard to define—but, we will try to work that out. There is some ambiguity. It is an invitation to litigation. All that will happen is that the lawyers will make more money.

Speaking of lawyers, I want to raise one other thing. It is very troublesome to me to think that you have two Federal employees—one now a former Federal employee—actually getting paid \$350,000 for their involvement in this issue. They were somewhat involved in implementing this rule.

Think of this. Here you have individuals involved in writing the rule. These same people help groups that sue these companies, or sue on behalf of the Government, and get paid a bunch of money—Federal employees. Are we going to allow IRS agents to get a percentage of the take if they go after some big company? If they get a big settlement, are two or three employees supposed to get a percentage of that? That sounds like corruption to me. We have had two people that received \$350,000 and we have an administration that wouldn't even say it was wrong.

This is the most corrupt administration in U.S. history. Yesterday we had the FBI testify that this administration completely thwarted their efforts to investigate campaign finance abuses. We had an FBI agent who served for 25 years who said never in his history did he have an investigation in which he was not thwarted, time and time again, by the Justice Department during this administration.

In addition to that we have an administration that grants clemency to 16 terrorists, while the FBI and others

said: Don't do it. These are terrorists. They are a threat to the United States.

Did the administration listen to the FBI? No. Did they even consult with the FBI? The FBI said no.

That was a mistake. This administration's corruption, including two employees who were involved in this rule-making and ended up getting paid \$350,000, is deplorable. It is despicable. It shouldn't be applauded. It shouldn't be rewarded.

But most importantly, article I of the Constitution says that Congress shall pass the laws and says Congress shall raise the taxes. It doesn't say unelected bureaucrats at MMS can rewrite the rules, raise royalty rates, or raise taxes. They do not have that right. That belongs to elected officials. Then if we do a bad job, people can kick us out. They can vote us down. They can say: We don't like the laws you passed. What recourse do they have against unelected bureaucrats? None.

There is a reason our forefathers gave us this system of government. They gave us a good system of government, and we should never allow some bureaucracy the opportunity to set rules and regulations that gives them the force and the power to raise taxes.

Should we have royalties that are fair? Yes. Should we have royalties that are accurate and a royalty system that people can understand? You bet. Should people pay exactly what they owe? Certainly.

Members might wonder where I am getting my information. I am chairman of the subcommittee, and we held a hearing regarding this issue. We had a lot of experts in the field saying this is not workable. It is not the money. It is not the money in any way, shape, or form.

The PRESIDING OFFICER. The time has expired.

Mr. NICKLES. I urge my colleagues to vote in favor of this amendment.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I thank the Senator from Oklahoma. I am very pleased he covered some of those issues.

We have heard a lot about the lawsuit and especially the employees of the Federal Government directly involved with this rulemaking taking \$350,000 each from an organization called POGO. That does not pass the smell test. I am very pleased the Senator from Oklahoma pointed that out. That is another reason this rule needs to go back to the drawing board. That is not the American way.

I am happy to yield up to 15 minutes to the Senator from Montana, Senator BURNS, who has been very active in this debate and who understands from a small businessman's point of view how important it is we have fairness in taxation in our country.

Mr. BURNS. Mr. President, I thank my friend from Texas. I also want to say it might not pass the smell test; it doesn't even pass the giggle test.

I want to drop back a little bit, away from the rhetoric we have heard, and look at it from a practical point of view. We have heard a lot about big oil ripoff. What are folks in California paying for gasoline today? Do you think the oil companies are going to pay that? No, they are not going to pay it. The consumer is going to pay it. The people who buy the gasoline and the petroleum products are going to pay it. Big oil, little oil, or whatever is not going to pay that. Do you think they will eat this and swallow it? Get a life.

One of these days, we are going to be hit by a big bolt of common sense around here and we will not be able to handle it.

Let's step back and think. I know the Senator from California is concerned about schools and children. I want her to come to Musselshell, MT. The first oil was discovered in Montana in that county—very active. A lot of it is on public lands. Then we kept getting tougher and tougher, and pretty soon the oil industry left the county. We are closing schools because there are no kids to attend. Nobody is making a paycheck.

Let's take a look and see what happens. Yes, the Government holds those lands in trust. They are public lands. Does the Government invest one penny in the drilling or the exploration of that resource? It does not. Does it buy any of the licenses? Does it offer any of the equipment? Does it pay any of the people to drill and to take the chance there may be oil here and there may not be? If there isn't, does the Government pay for the loss? Not a penny.

A deal was struck. If we find oil there, the companies say: We will give the Government one-eighth ownership in that well. That means one out of every eight buckets that comes out of the ground in crude belongs to the Government, and it sells it wherever it wants to sell. If they don't like the price they are getting from the refinery, I suggest they can take a truck out there next to the well, and every eighth bucket that comes up, put that eighth bucket in their truck, and they can take it anywhere and sell it anywhere they want, and they will get market for it. There are a lot of buyers for it.

That was the deal. That is getting your product or your royalty at the wellhead, as called for by law.

Now we have some folks who say: That is not good enough; we want the retail price. In other words, we don't want to pay any of the transportation, we don't want to pay any of the refining, we don't want to pay all of the costs, but we want the end result.

That is not the deal. This other is put together by law. That law is being changed by an unelected representative who wouldn't be known to my constituency if he or she walked out today.

Who gets hurt by this change? It is not big oil. They don't get hurt because they will pass the cost on to the consumer.

Again, I want to know what they are paying per gallon of gasoline in California. It is pretty high out in my State, too.

Do you know who gets hurt? It is the little guy. It slows down their ability for capital formation, for exploration, and then when they find it, they are taxed more for it. They want to rewrite the law.

An independent producer will have to pay a higher tax. I want that in all capital letters—T-A-X. That is what royalty essentially is. Then they will still have to compete with the low price of foreign oil.

America, if you think you are secure tonight, 55 percent of our oil comes now from offshore. More and more public lands are being cut off from exploration due to some whacky laws and some people who do not understand the business. They do it in the name of the environment. Use common sense. Those folks who want to shut off the oil supply in this country don't know what lines are and don't know what an economy can't do if we have no oil.

A while ago they talked about ethanol. I support the ethanol situation. It is renewable. It is clean. We still have some problems when temperatures get extremely low, as they do in Montana, but nonetheless it is an alternative. I support the tax credits for ethanol.

A tax is essentially what a royalty is. The end result is that the little man can't do it; he simply cannot make a living. When times are looking better for domestic oil, the Federal Government comes rushing in and raises the cost of production.

I can remember when Billings, MT, was pretty active with independent oil people, from land leasers to exploration to drillers. Those folks are just about all gone, because they have driven all of the little people away. They have closed off the lands that might have, and do have, great prospects for oil and gas reserves.

Oil prices are not that strong. Have they stabilized? No, I don't think so. In fact, I will tell you now, no commodity is making money in this country. I don't care if you are talking about oil or products that come from mining or timber or farms; it does not make any difference. The spread between what we get at the production level and what is happening at the retail level is unbelievable.

I will give you an example. If you want to go buy some Wheaties in your grocery store, it will cost you \$3.75 to \$4 a pound for Wheaties. Think about it. We cannot get \$2.25 for a 60-pound bushel of wheat. Something is wrong.

The same thing happens here because everybody has to have a little bigger piece in the process from where you take it from Mother Earth, who gives us all new wealth. The only place new wealth is produced is from Mother Earth. That is true to the time it gets to the consumer. Everybody has to have a bigger piece. Now the Federal Government comes along and says: I

think we need a little more, too, because we need to collect some more taxes. We need to build a bigger bureaucracy. That is not the way we do business.

Let's look at the royalty increase and put it in perspective of the entire industry. Oil prices still are not strong. Domestic oil production is still down. The industry is still hurting. Jobs are still being threatened. But our paycheck does not come from the oil patch, so we do not get excited. Our check comes every 2 weeks, just like clockwork. We risk not much—a little time. That is about all. Then all at once we are insensitive to those people who really power our economy—tax them again.

I want to bring back to our attention what Senator HUTCHISON pointed out earlier. This cost will be passed on to the American consumers. You are kidding yourself if you do not believe it. Montanans rely on their private vehicles to get around. It is 148,000 square miles from Alzada, MT, to Eureka, MT. It is further than from here to Chicago, IL. We know what spaces are and we also know what it costs to drive them.

We also have reserves in oil and gas, and if you keep raising these costs, the opportunity to get those reserves becomes more diminished every day. So while the Senator from California contends she is saving all this royalty money for the taxpayer, the person who actually knows the system tells us they will get less revenues during the period of chaos that will ensue as they try to sort out the flawed MMS proposal. Our income to the Treasury will go down; it will not be more.

I have a letter from the Office of the Governor of Montana. I ask unanimous consent to have that letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE GOVERNOR,  
STATE OF MONTANA,  
Helena, MT, September 13, 1999.

Hon. CONRAD BURNS,  
Dirksen Senate Office Bldg.,  
Washington, DC.

DEAR SENATOR BURNS: I am writing to express this administration's support for the Hutchinson amendment to the Department of Interior Appropriation Bill which would extend the moratorium on Minerals Management Service (MMS) rule making.

The complexity and uncertainty inherent in the proposed MMS rules may be a disincentive for industry, especially Montana's independent producers, to lease and produce oil and gas from federal lands. Such a disincentive will negatively impact the production of oil and gas, within Montana, resulting in less royalty revenue for the state.

The moratorium will provide additional time for all interested parties to develop a fair, workable and efficient plan to collect federal royalties. During this additional one year moratorium, all parties must work in earnest toward the successful conclusion of this issue.

Thank you for your support and understanding.

Sincerely,

MICK ROBINSON,  
Director of Policy.

Mr. BURNS. Reading a portion:

The complexity and uncertainty inherent in the proposed MMS rules may be a disincentive for the industry . . .

The moratorium will provide additional time for all interested parties to develop a fair, workable and efficient plan to collect federal royalties.

In the meantime, royalties are lost. So let's get struck by a bolt of common sense. Let's quit being moon-eyed horses and jumping at shadows and the paper bag that blows out from the fence row. This is bad policy and we should not allow this to happen. I do not think the Senate should. I congratulate my friend from Texas for being the champion on this.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I thank the Senator from Montana because he has made a very important point from the independent producers' standpoint. We have seen independent producers go out of business at a greater rate than ever in the history of our country in the last year because oil prices were so low they could not keep their employees and they had to go out of business. They could not afford to drill because their costs were higher than the price they could get.

The Senator from Montana so ably represents that small businessman, that small businesswoman who is out there in the field, working so hard to make ends meet, trying not to let his or her employees go in a bad time.

Now we have a situation where we could be putting the last nail in the coffin of those who are left. So I am very pleased he talked about the independents and small producers. I am going to talk a little bit more about that because it has been said in this debate that we are only talking about 5 percent, the big oil companies. But that is not the case.

In fact, the small oil companies, the independent producers, have written letters to us, to me, saying: Please do not let this happen. This is going to affect our ability to say the price we are actually getting at the wellhead will not actually be what we are taxed on. That is what the new rule would do. It would say to the independent producer that it doesn't matter what you actually are getting at the wellhead, if someone pulls up and takes their oil right out of the ground. You have to pay a tax on what we say is the market price. We are going to go to the New York Mercantile Exchange to determine the price. We do not care if it is Odessa, TX. If we say the price is \$22 and you are getting \$21, you are going to pay a tax on \$22. Is this America? My heavens.

These are the companies affected by this new MMS rule, and it is 100 percent of every company drilling, every company, small and large, that is going to have second-guessing of the prices, that is going to have indexing to the New York Mercantile Exchange, regardless of where they are, in Arkansas or West Virginia or Texas or Arizona.

They will not be held to the determinations they make. So a small, independent producer who doesn't have a staff of lawyers isn't going to be able to say: OK, we have sold for \$21 at the wellhead in Odessa, TX, and therefore, anyone else selling at the wellhead in Odessa, TX, take your chances. We may or may not say it is the same price. So every independent is affected.

I appreciate the Senator from Montana pointing that out. Now I yield up to 5 minutes to the Senator from Kansas.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I rise in support of the Hutchison amendment to continue the moratorium on the Minerals Management Service rule. I thank her for the courageous work she has been doing on this issue. I want to speak to this from the standpoint of a State that has a number of small, independent oil producers. That is what we have in Kansas.

I want to address a couple issues: No. 1, the perspective of the small, independent oil producers. I guess the dominant debate has been about big oil. I want to talk about small, independent oil producers such as we have.

The second issue is we not become more dependent on foreign oil. We get 60 percent, actually more than 60 percent, from foreign sources, and we do not want to drive more of that production overseas.

A third issue is a matter of priority to this body, and that is that we not let our duty to legislate be overtaken by a nonlegislative body. I appreciate the Senator from Texas bringing these issues to the forefront so we could debate them and talk about them on the Senate floor and, hopefully, get some sanity in this system.

Our oil producers are just recovering from some of the lowest prices in 30 years. That has cost the oil and gas industry more than 67,000 American jobs, a number of those in Kansas, and saw the closure of more than 200,000 oil and gas wells. That is the recent situation.

A hike in the royalty rates will make a bad situation worse and could cause more domestic oil production to go overseas. At a time when we already are getting so much of it from overseas, to increase our dependency even more is a really ridiculous idea.

It is up to Congress and not Federal agencies to establish public policies is my second point. The MMS clearly exceeded its authority by proposing to raise royalty rates without congressional authorization. No congressional committee or affected industry groups were notified before the final version of the rule was announced. The MMS has also tried to get around the congressional moratorium by changing Federal lease forms and taking other measures that are similar to the prohibited rule. These reckless actions have led me to believe that this agency is out of control, and it has led a num-

ber of our small, independent producers in Kansas not to trust this agency, or the sort of template they are setting up in the industry that is going to cost them more and cost more jobs and cost more oil production in this country and in Kansas.

I do believe the current royalty rate valuations are fundamentally flawed and should be changed.

The regulations proposed by the MMS will increase the amount of the royalties to be paid by assessing royalties on downstream values particularly, without full consideration of the costs on that small independent producer in Kansas who is just now digging out of some of the lowest prices in 30 years, all the jobs they have lost, and all the wells that have been plugged. And we are saying at this point in time: We really do not care for you; we want to just shove these additional costs on you and hurt you more, even though you are just now starting to climb out of the worst situation in 30 years.

Goodness, we ought to think a little bit down the road ourselves and say: Is it wise that we do this on the small independent producer struggling to make a living, who wants to help support the United States and our energy needs of this country, and we do this now? I do not think that is wise at all.

Finally, my point is, it is the responsibility of Congress to make policy decisions, not the MMS. Royalty rates are our responsibility. We, the Senate, have been elected by our constituents to make these difficult decisions, and we should not have our authority preempted by Federal bureaucrats. Some people may not like that conclusion, but that is the way it is. We are the policymakers. We are the people who should set these rates, not a Federal bureaucracy that is not elected, that is a nonlegislative body. That is what is taking place.

In the short time I have, I thank my colleague from Texas for the great work she is doing on defending freedom, defending small independent oil and gas producers, defending us from becoming more dependent on foreign oil, and also defending the Senate's right to establish public policy, and not a nonlegislative body.

I hope as well that people who are debating and tying notions of other considerations into this issue will step back and think for a second. Everybody I know in this body acts with integrity and honor, and that should not be attacked on some sort of unsubstantiated basis. People here do act with honor and with integrity.

There are differences of opinion on this issue. Mine, from the perspective of Kansas, is that we need to be setting this, and not the MMS.

Mr. President, I yield to the Senator from Texas.

Mrs. BOXER. Mr. President, I believe under the agreement I have the time now for 30 minutes; is that correct?

The PRESIDING OFFICER. The Senator is correct, at 5:15. There are 3 minutes remaining.

Mrs. HUTCHISON. Mr. President, I am prepared to let the Senator start her time now. For Senators who are looking at our timetable, we have pretty much agreed we are looking at perhaps a 6 o'clock vote; 6 to 6:15, but we are pushing closer to 6.

Mrs. BOXER. I think we can get this done. Let me start.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I have seen so many tears on behalf of the mom-and-pop oil companies that will be impacted if the Department of the Interior can do their job and collect the fair royalties. I looked at my chart again to make sure I was not misunderstanding. I will talk about the top seven companies that will be impacted by this rule:

Shell: Their total revenues are \$29 billion. I cannot remember when they were mom and pop. Maybe someday way back they were.

Exxon: The real mom and pop, \$134 billion in revenues.

Chevron: \$43 billion in revenues.

Texaco: \$45 billion in revenues.

Marathon: \$16 billion in revenues.

Mobil Exploration and Production, U.S.: \$81 billion.

Conoco: \$20 billion.

And it goes on.

The good news is that the small oil companies my friend from Kansas talked about are doing the right thing. Ninety-five percent of the oil companies are doing the right thing and paying their fair share of royalties. It is 5 percent of the companies, the largest companies, the vertically integrated companies, that are failing to pay their fair share.

When we see these tears for the oil companies, I assure my friends, the small companies are doing the right thing; they are paying their fair share. It is the big ones that are not. We know they are involved in a deliberate scheme. We have that in testimony. All we are trying to do is stop them from continuing to rip off the taxpayers.

The Hutchison amendment so far has lost taxpayers \$88 million. This one will lose them \$66 million. That is \$154 million, and there is no end in sight. If you think this one will not be back next year—I don't know. We know the Senator originally had a much longer period of time on her amendment. She cut it back to about a year, but this thing has no end. This is the fourth time it has come up. There is no effort to resolve this situation.

I want to talk about some of the comments made by some of my colleagues, and I ask that the RECORD show Democrats lodged no objection when the Senator from Oklahoma started to talk about the Presidential pardon of a few weeks ago. What does that have to do with this? We did not object. He made his point. It was fine. We know when you start talking about

something off the topic, it is because you really are using the debate time. We are happy. You can talk about what you want.

But five times the Senator from Wisconsin was interrupted when he tried to tie this amendment to oil company contributions. He did not do that; the New York Times did it. USA Today, which I would like to show, did it. The Los Angeles Times tied oil contributions to this amendment. And then, oh, they were shocked and Republican colleagues tried to stop Senator FEINGOLD from talking about it.

I will read what USA Today says. They say:

Big oil has contributed more than \$35 million to national political committees and congressional candidates . . . a modest investment in protecting the royalty-pricing arrangement that's enabled the industry to pocket an extra \$2 billion.

Senator FEINGOLD was simply talking about what USA Today talked about and what the New York Times on September 20 talked about. I will read what they say. New York Times:

BATTLE WAGED IN THE SENATE OVER  
ROYALTIES BY OIL FIRMS

Oil companies drilling on Federal land have been accused of habitually underpaying royalties they owe the Government. Challenged in court, they have settled lawsuits, agreeing to pay \$5 billion.

The Interior Department wants to rectify the situation by making the companies pay royalties based on the market price of the oil, instead of on a lower price set by the oil companies themselves.

They say:

A simple issue? Not in the United States Senate.

And they track oil company contributions.

All I can say is, it is a legitimate thing to talk about, but five times the Senator from Wisconsin was interrupted making the point.

I also want to respond to the fact that royalties are not a tax. If they were a tax, they would be in the Finance Committee. Royalties are an agreement the oil companies sign voluntarily for the privilege of drilling on land that belongs to the people of the United States of America.

And for that privilege, they pay a small portion over to us, the taxpayers, to be used for parks and recreation, historical preservation, and in the States for education. Royalties are not a tax. If they were a tax, it would be in the Finance Committee.

Let me also thank my colleagues on the other side of the aisle for bringing up the States. They argue for States rights day in and day out. You know what. I agree with them on this one. Let's hear what the States are saying.

I ask unanimous consent to have printed in the RECORD a letter I just received—or that just came to my attention—from the Western States Land Commissioners Association.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WESTERN STATES  
LAND COMMISSIONERS ASSOCIATION,  
July 29, 1999.

Hon. TRENT LOTT,  
U.S. Senate, Washington, DC.  
Hon. THOMAS A. DASCHLE,  
U.S. Senate, Washington, DC.

DEAR SENATORS LOTT AND DASCHLE: We, the undersigned members of the Western States Land Commissioners Association, urge you to assure that the Interior Appropriations Bill, S. 2466, will allow the Department of Interior to implement new federal royalty crude oil pricing regulations. The Department's proposed regulations would ensure that oil companies would pay no more and no less than fair market value for federal royalty oil. S. 2466 includes a provision that would continue the ban on implementing the proposed regulations until after June 30, 2001. This delay is costing taxpayers \$5 million per month.

Most of the state agencies that are members of the Western States Land Commissioners Association have a strong interest in ensuring that oil companies pay the market value of federal royalty oil. The member states of the Association use their share in the revenues to support schools and other beneficiaries. The failure of the oil companies to pay market value for federal royalty crude reduces the revenues obtained by the federal government and the states.

The Department's Mineral Management Service (MMS) has been eminently fair in proposing its new regulations. MMS has held numerous public and private meetings for over two and a half years to allow the industry to comment and the industry has filed over two thousand pages of comments. Based on industry concerns, MMS has revised its proposed regulations a number of times to take into account industry's suggestions and criticisms. For example, MMS has revised its proposed regulations to recognize regional differences, particularly for the Rocky Mountain Area.

The proposed MMS regulations are very reasonable. If oil companies sell royalty crude on arm's-length transactions, they pay on the basis of prices they receive. If they do not sell the oil on arm's-length transactions, they pay on the basis of prices at market centers, adjusted for location and quality differences, which are universally recognized to result from competition among innumerable buyers and sellers.

Oil companies presently use their posted prices to value royalty oil. Posted prices are unilaterally set by individual oil companies less than the market value of those crudes. In contrast, the market prices proposed by MMS to value royalty crude not sold by arm's-length transactions are set by innumerable buyers and sellers and are publicly reported on a daily basis.

MMS' proposed switch from posted prices to market prices is not a radically new concept:

1. The State of Alaska uses the spot price of Alaska North Slope crude oil quoted for delivery in the Los Angeles Basin as the basis for royalties;

2. ARCO, since the early 1990s, uses spot prices as the basis of payments of royalties throughout the country; and

3. The State of Texas/Chevron and State of Texas/Mobil settlements rely on the use of spot prices for royalty valuation purposes. Mobil settled for \$45 million—a case brought by the United States Department of Justice that Mobil had underpaid federal royalties throughout the United States.

The Department's comprehensive proposal is the logical alternative to posted prices.

Sincerely,

Paul Thayer, Executive Officer, California State Lands Commission; Ray

Powell, M.S., D.V.M., Commissioner of Public Lands, New Mexico State Land Office; M. Jeff Hagener, Trust Land Administrator, Montana Department of Natural Resources and Conservation; Curt Johnson, Commissioner, South Dakota Office of School and Public Lands; Charlie Daniels, Commissioner, Arkansas Commissioner of State Lands; Robert J. Olheiser, North Dakota Commissioner of University and School Lands; Jennifer M. Belcher, Commissioner, Washington State Department of Natural Resources; Douglas LaFollette, Board Chair and Secretary of State, Wisconsin Board of Commissioners of Public Lands; Mark W. Davis, Minerals Director, Colorado State Board of Land Commissioners.

Mrs. BOXER. This letter is signed by the State Lands Commissioners from these States: California, South Dakota, New Mexico, Arkansas, Montana, Washington State, Colorado, and Wisconsin. That is a sample. That is just this letter.

What do they want? They want the Interior Department to be able to correct this problem. They oppose the Hutchison amendment, these people from these States.

We also have comments by the Commissioner of the Alaska Department of Natural Resources, who says:

The approach taken by MMS [Department of Interior's Minerals Management Service] . . . will better protect Alaska's interests.

They oppose the Hutchison amendment.

We heard from the Arkansas Commissioner of State Lands in a letter to Senators LOTT and DASCHLE:

The Department's comprehensive proposal is the logical alternative to posted prices.

They oppose the Hutchison amendment.

California, the city of Long Beach:

I urge you . . . to support [MMS] regulations . . .

They oppose the Hutchison amendment.

Colorado, Mark Davis, Minerals Director:

This delay is costing taxpayers \$5 million per month.

He opposes the Hutchison amendment.

Louisiana:

To sum up, [the department in Louisiana] is supportive of MMS' attempt to value . . . production in a more certain, timely, and accurate manner . . .

Montana, a letter from the Supervisor of the Federal Royalty Program: . . . Montana believes that the rule is ready and should be finalized.

That was in 1998.

New Mexico:

It is our fervent hope that Congress will act so as not to extend the current moratorium prohibiting the Department of Interior from issuing a final rulemaking.

North Dakota: This is from Robert Olheiser, North Dakota Commissioner of University and School Lands, in a letter to Senators LOTT and DASCHLE:

The Department's Minerals Management Service has been eminently fair in proposing [these] regulations.

It goes on.

We have a letter from Texas. We have a letter from South Dakota, Washington, Wisconsin.

I see that my friend from Florida is on the floor. I will stop when he is prepared to begin his remarks.

Let me just say at this time—and then I will make concluding arguments when the Senator from Florida has completed in the remainder of the time—that we have a problem on our hands with 5 percent of the oil companies.

We have to do justice. We have to do what is right. We have to listen to the whistleblowers who are risking themselves to come out and tell us there are schemes going on to deprive taxpayers of these royalty payments. We have to do the right thing. We have to listen to the States, the Consumer Federation of America—and how many groups? more than 50 groups—that stand in the public interest and say no to the Hutchison amendment.

Now I yield the remainder of the time until a quarter of to the good Senator from Florida, Mr. BOB GRAHAM.

Mr. GRAHAM. I thank the Senator.

I appreciate this opportunity to make a few remarks on the issues before us today, which I think has three component parts.

The first relates to just what is involved in the change that has been recommended by the Department of the Interior, the change the amendment offered today would frustrate.

I see we have the principal author of the amendment on the floor, and so I might ask a short series of questions, and hopefully, before we conclude this debate, we can have some further information.

Based on the statement that was made earlier today, this increase that would be the result of the Department of the Interior's new regulatory change was characterized as a tax.

It has been my understanding that what we are talking about is a contractual royalty payment; that is, a payment that is made by the user of this Federal resource—petroleum—as the economic condition of gaining access to that Federal resource.

This is not a tax in terms of an imposed burden upon a commercial transaction. This is in the nature of a payment for a product which belongs to the people of the United States which is now going to be used by a specific private firm. I would like some discussion as to why the word "tax" is being used to apply to this transaction.

A second concern I have from the earlier discussion of this amendment is the issue of effect on consumers. It was inferred that the effect of this would be to directly increase the price of the petroleum that was used by the American consumer.

It had been my understanding that the way in which the price of petroleum was controlled was in a world marketplace of petroleum and that individual companies did not have the

power to pass on their cost to the ultimate consumer. If they do, then that infers a level of monopolistic control of the petroleum economy which raises its own set of concerns.

So I would like to know by what economic relationship this particular group of oil companies would be able to pass on to their consumers whatever was ultimately considered to be the appropriate royalty level for their access to the resource that belongs to the American people.

There has been a chart displayed which shows at the bottom the cost of the petroleum product itself, and then at the top the taxes which are levied.

I would assume we are now talking about the bottom part of that chart because we are not talking about taxes, we are talking about royalties that are being paid.

I would like to have some discussion as to just how much of that bottom portion of the chart is the issue that is at debate today.

Clearly, no one says there should be no royalty paid to the taxpayers of America for the use of their resource. How much, therefore, of that total cost is what is at controversy.

Finally, there is the issue of regulatory complexity. I have seen the chart that shows a rabbit warren of boxes and arrows and relationships. I would be interested in seeing a similar chart as to what the status quo is.

Is the process by which we are arriving at the pricing mechanism for petroleum under the new Department of the Interior regulations significantly more complex than those which are being used to arrive at the method of pricing petroleum under the current standards? If so, where are the particular areas of increased or altered or even reduced complexity?

So those would be three questions. I hope the proponents of this amendment will use some of their time to illuminate. So that is the first question.

The second question is the effect of this debate on the Congress itself.

I am a member of the Energy and Natural Resources Committee, the committee that has basic jurisdiction over this issue. There has been an inference that the Department of the Interior has gone beyond its rulemaking authority in adopting this provision. It has even been implied that maybe the Department of the Interior has been tainted by some of the activities of its individual personnel and the way in which this new rule was developed. Those are serious charges.

As a member of the Energy and Natural Resources Committee—and I will be prepared, if the chairman or others will point out where I am in error—I do not believe we have held any hearings on this issue. Yet we have allowed this matter to now come to the Senate floor as a nongermane amendment to an appropriations bill, a position which is basically in conflict with our recently adopted rule that says we cannot offer matters of general legislation on ap-

propriations bills. But by some relatively clever drafting—and I extend congratulations to those smart people—we have been able to evade the clear intent of the rule that says no legislation on an appropriation.

In fact, this issue, the way in which it is being handled, makes the case as to why our rule is wise, that we ought to be dealing with legislation through committees that have responsibility for legislation, such as the Energy and Natural Resources Committee; we should not be doing it on an appropriations bill.

It does raise the question of why we are doing this. There is a certain unseemliness to bringing up this issue in this manner. It raises the question our colleague from Wisconsin discussed earlier today; that is, Is this going to be the poster child for the mixture of decisions made by Congress and the economic influence, through campaign finance, of those industries that will be the clear beneficiary of those decisions?

I personally have resisted those kinds of linkages because that puts everything we do under a cloud of suspicion. But the way in which this is being handled will give ammunition to those who wish to attack the basic integrity of this institution.

It is unnecessary for us to lay ourselves open to that attack. What we ought to do is have a hearing in the Energy and Natural Resources Committee, invite in all the people who are knowledgeable, have a serious public airing of this question, and then see if legislation should be passed to rein in excessive or inappropriate behavior by the Department of the Interior. We should not be doing this, passing legislation on an appropriations bill.

The third issue is, What is at stake? The resources that will not become available as a result of the passage of this amendment, how would they otherwise have been deployed? The royalties that come from the Federal Government's leasing for oil and gas production are a key part of our public land trust. Currently, a portion of these royalties goes to the Land and Water Conservation Fund which provides the means by which a variety of Federal, State, and local activities have traditionally been funded.

The Energy Committee is currently considering legislation that would expand and make permanent the use of other portions of this royalty program for a variety of uses. The Senator from Louisiana has introduced legislation that would have it used to offset some of the adverse impacts along the coastal areas of those States which are the principal offshore oil and gas production areas. Others would have the funds used for public acquisition of lands that would be significant for a variety of public purposes, including environmental and recreational. Others would have them used for coastal protection purposes.

I will talk today about legislation that has been introduced by Senator

REID of Nevada and my colleague, Senator MACK, which would have a portion of these royalty funds used for the protection of our National Park System. There has been an increasing recognition that our national parks are in serious trouble. I will offer to be entered into the RECORD, immediately after my remarks, an article from the New York Times of July 25, 1999, entitled "National Parks, Strained By Record Crowds, Face A Crisis." I ask unanimous consent that this article be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. GRAHAM. What is at stake is, will we have adequate resources, properly directed, to deal with these national issues, including the crisis that is in our national park system.

The question we must ask ourselves as we vote on this amendment and as we vote on the underlying legislation to which it is being offered is, Can we live up to the legacy of our forefathers and mothers and protect our Federal land trust?

We are about to begin the fourth century of our Nation's history. We were formed at the end of the 18th century, had our maturation in the 19th century, and now, in the 20th century, have grown to the great power and source of influence for values that we consider to be fundamental—human rights, democracy—in the 20th century.

The first two of our centuries that were full centuries, the 19th and now the 20th, were highlighted by activism on public lands issues. The 19th century began with the Presidency of Thomas Jefferson. Thomas Jefferson's most renowned action as President was the purchase of Louisiana from France. That single act added almost 530 million acres to the United States. That action changed America from an eastern coastal nation to a continental power.

This century, the 20th century, was marked by the addition to the public land trust led by President Theodore Roosevelt. While in the White House, between 1901 and 1909, President Theodore Roosevelt designated 150 national forests, the first 51 Federal bird reservations, 5 national parks, the first 18 national monuments, the first 4 national game preserves, the first 21 reclamation projects. He also established the National Wildlife Refuge System, beginning with the designation of Pelican Island in my State of Florida as a national wildlife refuge in 1903.

Together, these projects equated to Federal protection of almost 230 million acres, a land area equivalent to that of all the east coast States from Maine to Florida and just under half of the Louisiana Purchase. That is what the first President in the 19th century, Thomas Jefferson, and the first President in the 20th century, Theodore Roosevelt, did for America. That was their legacy.

Clearly, the question we are going to have to answer to our children and

grandchildren is, Did you live up to the standards of Thomas Jefferson and Theodore Roosevelt? Roosevelt said: We must ask ourselves if we are leaving for future generations an environment that is as good as or better than what we found. Can we meet that test?

As we enter the 21st century, the fourth century of our Nation's history, we must again ask ourselves this question. We must be prepared to take action to meet the challenge. I argue that the underlying bill to which this amendment is attached and to which this amendment would further delete resources to meet that challenge of Theodore Roosevelt, while it takes some steps towards meeting his challenge, fails to fully commit to the protection of our Federal land trust.

In 1916, Congress created the National Park Service. In doing so, it stated that the purposes of the National Park Service were:

To conserve the scenery and the natural and historic objects and the wildlife therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations. "... will leave them unimpaired for the enjoyment of future generations."

That is what our predecessor said in 1916 was the purpose of the National Park System.

Today the unimpaired status of our national parks is severely at risk. On April 22 of this year, the National Parks and Conservation Association identified the 1999 list of the 10 most endangered national parks. In his opening remarks, Mr. Tom Kiernan, the President of the National Parks and Conservation Association, stated:

These parks were chosen not because they were the only parks with endangered resources, but because they demonstrate the resource damages that are occurring in all of our parks.

These parks demonstrate the breadth of the threats faced by our National Park System. For example, Chaco Culture National Historical Park in Chaco Canyon, NM, contains the remains of 13 major structures that represent the highest point of pueblo pre-Columbian civilization. In the words of the National Park and Conservation Association:

It is falling victim to time and neglect. Weather damage, inadequate preservation, neglected maintenance, tourism impacts, and potential resource development on adjacent lands threaten the long-term life of these pre-Columbian structures.

All of the parks in the Florida Everglades region were included on the list of the most endangered. In this area, decades of manipulation of the water system has led to loss of significant quantities of Florida's water supply to tide every day; it has led to a 90-percent decline in the wading bird population; it has led to an invasion of non-native plants and animals and to a shrinking wildlife habitat. The National Parks and Conservation Association calls Yellowstone National Park the "poster child for the neglect that has marred our national parks."

We have all heard Senator THOMAS and others speak about the degradation of the sewage handling and treatment system at Yellowstone National Park, a situation that caused spills into Yellowstone Lake and nearby meadows, sending more than 225,000 gallons of sewage into Yellowstone's waterways, threatening the water quality of this resource.

It is not just these beautiful natural areas that are threatened. One of the areas on the 10 most-endangered list, not far from where we stand this late afternoon, is Gettysburg National Park, the site of one of our greatest historic moments. There, because of inadequate maintenance and attention, we are losing some of the most precious historical artifacts of our Nation.

These are illustrative of what is occurring across our National Park System. Estimates of the maintenance backlog of the National Park Service range from a low of \$1.2 billion to \$3.54 billion. The National Park Service developed a 5-year plan to meet this deferred maintenance obligation. It was based on its ability to execute funds and its priorities within the National Park System. In this year's appropriation process, the House and Senate have modified the national parks' request of \$194 million. The House, for instance, reduced the request by almost \$25 million. If we are to ever make a dent in our enormous backlog, we must support the national park plan to systematically reduce this accumulation of deferred maintenance.

In addition, if we are to prevent the backlog from growing, we must support periodic maintenance on the existing facilities in the park system. The Senate reduced both cyclic maintenance and repair and rehabilitation in the operation and the maintenance account of the Park Service by \$3 million and \$2.5 million, respectively. While you may say these are small dollar amounts in the large budget of the National Park System, failure to meet these basic annual maintenance requirements will cause our backlog to grow in the long run and will cause the severity of the threat to our national parks to increase.

Neither the operation and maintenance account nor the construction account is designed specifically to meet the natural resources needs of the park system.

This year, the National Park Service is seeking to change this with the Natural Resource Challenge, announced earlier this year by National Park Service Director Bob Stanton.

This plan will change decision-making in the Park Service as manager's make resource preservation and conservation an integral consideration in all management actions.

To support this program, the National Park Service requested \$16 million in the fiscal year 2000 Interior appropriations bill.

During this fiscal year, these funds will be focused on the completion of



natural resource inventories to be used by park managers in decisionmaking.

These funds will support large-scale preservation projects and target restoration of threatened areas damaged by human disturbance.

After considering the National Park Service's Natural Resource Challenge appropriations request, the House fully funded the base program with \$16.235 million.

The Senate significantly reduced the funds for this program, providing a total of only \$6 million.

This shortfall will extend the time period for completion of baseline inventories for all 260 park units from 7 to 14 years, delaying the time period when the Park Service will be able to identify a "natural resource backlog" similar to the construction backlog it currently uses.

The actions taken by the Senate and the House do not meet the challenge posed by Theodore Roosevelt to leave our environment in a better state than we found it.

I sympathize with the Interior Appropriations Subcommittee, and I respect the actions they have been able to take over the last several years to support the needs of the National Park System.

However, there is a limit to what the Appropriations Subcommittee can do given the tools they have.

They are working to fund 20th century needs for construction and natural resource preservation using a 19th century funding mechanism.

The National Park Service needs a sustained, reliable funding source that will allow it to develop intelligent plans based on prioritization of need, not availability of funds.

Last year, Senator THOMAS led the way with his landmark legislation on the National Park Service, Vision 2020.

This legislation adopted, for the first time, both concessions reform and science-based decisionmaking on resource needs within the park service.

We took a big step forward last year with the extension of the fee demonstration program.

This allows individual parks to charge entrance fees and use a portion of the proceeds for maintenance backlog and natural resource projects.

This action generates about \$100 million annually throughout the park system. It is time for the next step.

Earlier this year, I introduced legislation with Senators REID and MACK, S. 819, the National Park Preservation Act, that would provide dedicated funding to the National Park Service to restore and conserve the natural resources within our park system.

This legislation seeks to address the long-term efforts required to truly restore and protect our natural, cultural, and historic resources in our park system.

The legislation would reallocate funds derived from the use of a non-renewable resource—offshore drilling in the outer continental shelf—to a re-

newable resource—restoration and preservation of natural, cultural, and historic resources in our national park system.

These funds provided by our bill would ensure that each year the National Park Service will have the resources it needs to restore and prevent damages to the natural, cultural, and historic resources in our park system.

I am working with the members of the Energy and Natural Resources Committee to include a version of this legislation in the final package of the "Outer Continental Shelf Revenue" legislation under consideration by that Committee.

Last week, I circulated a dear colleague requesting that each of you join me in this effort.

As we move to final passage on the Interior appropriations bill and final negotiations on the OCS revenue legislation, I urge you to remember this quote from Theodore Roosevelt quote,

Nothing short of defending this country during wartime compares in importance with the great central task of leaving this land even a better land for our descendants than it is for us.

We have serious needs in many areas of our national land trust. If we are to meet the standard set by Theodore Roosevelt almost a century ago, we must not be depleting our capacity to do this by underfunding and by reducing the funds that are available to meet these national park and other national land demands. We must be looking, creatively, for ways to provide sustained, adequate funding sources. That is what is at issue in this debate.

Are we going to succumb to the request of a floor amendment to an appropriations bill to reduce the funds available to meet our national land trust responsibilities or are we going to both defeat this amendment and then step forward in the underlying bill to provide the resources necessary to meet the crisis that exists in our national parks and in many of our other national land trusts?

I hope we will hear the call from a century in the past of Theodore Roosevelt, that we be prepared to be judged by whether we have left to our children and our grandchildren a better America than our parents and grandparents gave to us.

Thank you, Mr. President.

#### EXHIBIT 1

[From the New York Times, July 25, 1999]

NATIONAL PARKS, STRAINED BY RECORD CROWDS, FACE A CRISIS

(By Michael Janofsky)

YELLOWSTONE NATIONAL PARK, Wyo., July 22—In growing numbers that now exceed 3.1 million a year, visitors travel here to America's oldest national park to marvel at wild-life, towering mountains, pristine rivers and geological curiosities like geysers, hot springs and volcanic mudpots.

Yet many things tourists may not see on a typical trip through Yellowstone's 2.2 million acres spread across parts of Idaho, Montana and Wyoming could have a greater impact on the park's future than the growl of a grizzly or spew of Old Faithful.

For all its beauty, Yellowstone is broken. Hordes of summer tourists and the increasing numbers now visiting in the spring, fall and winter are overwhelming the park's ability to accommodate them properly.

In recent years, the park's popularity has created such enormous demands on water lines, roads and personnel that park management has been forced to spend most of Yellowstone's annual operating budget, about \$30 million, on immediate problems rather than investing in long-term solutions that would eliminate the troublesome areas.

Yellowstone is not the only national park suffering. With the nation's 378 national park areas expected to attract almost 300 million visitors this year, after a record 286 million in 1998, many parks are deferring urgently needed capital improvements.

For instance, damaged sewage pipes at Yellowstone have let so much ground water from spring thaws into the system that crews have had to siphon off millions of gallons of treated water into meadows each of the last four years.

And with budget restraints forcing personnel cutbacks in every department, even the number of park rangers with law-enforcement authority has dropped, contributing to a steady increase in crime throughout Yellowstone.

"It's so frustrating," Michael V. Finley, Yellowstone's superintendent, said. "As the park continues to deteriorate, the service level continues to decline. You see how many Americans enjoy this park. They deserve better."

Over the last decade the annual budget of the National Park Service, an agency of the Interior Department, has nearly doubled, to \$1.9 billion for the fiscal year 1999 from \$1.13 billion in 1990, an increase that narrowly outpaced inflation.

But in an assessment made last year, the park service estimated that it would cost \$3.54 billion to repair maintenance problems at national parks, monuments and wilderness areas that have been put off—for decades, in some cases—because of a lack of money.

The cost of needed repairs at Yellowstone was put at \$46 million, the most of any park area in the system. But the park service report shows that budget limits have forced virtually all national parks to set aside big maintenance projects, delays that many park officials say compromise visitor enjoyment and occasionally threaten their health and safety.

Senator Craig Thomas, a Wyoming Republican who is chairman of the Subcommittee on National Parks, and Bob Stanton, director of the park service, negotiated a deal this week to spend \$12 million over the next three years for Yellowstone repairs.

Other parks may have to wait longer. The Grand Canyon National Park depends on a water treatment system that has not been upgraded in 30 years, a \$20 million problem, park officials say. Parts of the Chesapeake and Ohio Canal National Historical Park along the Potomac River are crumbling, another \$10 million expense. The Everglades National Park in South Florida needs a \$15 million water treatment plant.

Even with a heightened awareness of need among Federal lawmakers and Clinton Administration officials, money to repair those problems may be hard to find at a time when Congress is wrestling over the true size of a projected budget surplus and how much of it will pay for tax cuts. If billions were to become available for new spending, the park service would still have to slug it out with every other Federal agency, and few predict that parks would emerge a big winner.

It is a disturbing prospect to conservationists, parks officials and those lawmakers

who support increased spending to help the parks address their backlog of maintenance problems.

"It's kind of like a decayed tooth," said Dave Simon, the Southwest regional director for the National Parks and Conservation Association, a citizens' group that is working with Yellowstone to solve some of the long-term needs. "If you don't take care of it, one day you'll wake up with a mouthful of cavities."

The parks' supporters like Representative Ralph S. Regula, an Ohio Republican who is chairman of Appropriations Subcommittee on the Interior, concede that budgetary increases as well as revenue from new programs that allow parks to keep a greater share of entrance fees and concession sales have been offset by inflation, rising costs and daily operational demands that now accommodate 8.9 percent more people than those who visited national parks a decade ago.

With few dollars available for maintenance programs, the parks suffered "benign neglect," Mr. Regula said, adding: "It's not very sexy to fix a sewer system or maintain a trail. You don't get headlines for that. It would be nice to get them more money, but we're constrained."

Denis P. Galvin, the deputy director of the National Park Service, noted that only twice this century, in the 1930's and in 1966, has the Federal Government authorized money for systemwide capital improvements, and he said he was not expecting another windfall soon.

"Generally," Mr. Galvin said, "domestic programs come at the back of the line when they're formulating the Federal budget, and I just don't think parks are a priority."

Perhaps no park in America reflects the array of hidden problems more than Yellowstone, which opened in 1872, years before Idaho, Montana and Wyoming became states.

Park officials here say that the longer problems go unattended, the more expensive and threatening they become.

The budget restraints have meant reducing the number of rangers who carry guns and have the authority to make arrests.

Rick Obernesser, Yellowstone's chief ranger, said the roster had dwindled to 112 from 144 over the last 10 years, which often means leaving the park without any of these rangers from 2 A.M. to 6 A.M.

Next year, Mr. Obernesser said, the park will have only 93 of these rangers, about 1 for every 23,000 acres, compared with 1 for every 15,000 acres when his staff was at peak strength.

That has not only led to slower response times to emergencies, like auto accidents and heart attacks, he said, but also to an increase in crime. Since the peak staffing year of 1989, he said, the park has experienced significant increases in the killing of wildlife, thefts, weapons charges against visitors and violations by snowmobile drivers.

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Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that I be allowed to speak for up to 5 minutes, following which Senator BOXER from California would be recognized for up to 10 minutes, after which Senator MURKOWSKI would be recognized to speak for up to 5 minutes, and then I will close for up to 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mrs. BOXER. Mr. President, reserving the right to object, and I will not, I thank my colleague. It has been a long day, and we are about to end this. Will that take us to 6:10 or 6:15?

Mrs. HUTCHISON. Yes, it will.

Mrs. BOXER. I will not object.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. HUTCHISON. Mr. President, I want to take 5 minutes at this time to answer what questions were asked by Senator GRAHAM from Florida. First of all, he asked: Why are we calling this a tax? This is really a lease payment, a condition for a lease.

What I am concerned about is that he is willing to say we will change the terms of the lease during the term. If that is not an increase in a tax, I don't know what it is. It is a tax increase during the term of a lease. It changes the conditions of the lease, and it will raise the costs to oil companies. Who is going to pay the increased costs? Who always pays the increased costs on business? I am always amazed that people talk about taxing business and making business pay their fair share. When the business is going to sell the product, the business has to have a certain margin in order to stay in business and keep the jobs that it is creating. Of course, they have to raise the price of the product. That is exactly what is going to happen.

This is the chart about which the Senator from Florida spoke. There is no question that the taxes at the top of the chart are 56 cents for a gallon of gasoline, and the oil is 64 cents. If you add more to the taxes, you are going to add more to the price of gasoline.

This is a tax increase on the people who are going to pay for gasoline at the pump.

Mr. GRAHAM. Mr. President, will the Senator yield for a question?

Mrs. HUTCHISON. I have 5 minutes under a unanimous consent. I didn't interrupt the Senator from Florida, and I would like to finish my 5 minutes, if I can.

The Senator from Florida talked about the "rabbit warren" of regulation.

I want to put that chart up because it is a valid question.

Is this the same as, or any worse than, the regulations that we have today? In fact, this whole segment of this chart isn't there today because today, if oil is sold at the wellhead, the Federal Government recognizes that is the price. Under the new regulation, we have this theory of procedures that would be required for a person who is selling at the wellhead to prove that was really the price because the Mineral Management Service reserves the right to second-guess the price that is actually paid.

I say that there is a good case to be made that this is actually more complicated than it is today. I hope that we will not allow that to go forward.

The third area that was mentioned by the Senator from Florida is, why is

this coming up in this bill? He said: Why don't we have hearings? Why is this coming up in this bill?

It is coming up in this bill because the Federal regulators are spending taxpayer dollars to perpetrate a tax increase on the hard-working people of this country who buy gasoline at the pump, and they are doing it with the appropriations that we are passing tonight.

Of course, if we are going to have any say, if we are going to have the ability to exercise the responsibility of Congress to set tax policy in our country and determine that we are going to raise gasoline prices at the pump, we must act on the bill that gives them the money, and direct them as a Congress to not raise taxes on the people of America who buy gasoline for their cars every day.

Last but not least, the Senator from Florida raised the question: Are we living up to the legacy of Theodore Roosevelt? I think it is important that we look at the money that we are spending to preserve our wildlife and preserve our natural habitat. I think that is a valid question. My answer is yes. That is not an issue in anything we are talking about tonight because if these companies don't agree to take care of the environment and clean up anything that might be built, then they will not get the lease.

That is part of the least arrangement. So protecting the environment is not an issue, and, of course, we want to protect the legacy that we have been given by our forefathers and mothers of this wonderful country.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from California is recognized for 10 minutes.

Mrs. BOXER. Mr. President, I thank my colleague, Senator HUTCHISON, for working so well with me so we can, in an orderly way, get this vote.

I want to say to my friend from Florida before he leaves the floor that I know he has more to say on this, and that he has raised issues that are so important to this debate.

First, he raised the issue of process. He raises the point that this amendment doesn't belong here. It certainly does not.

As a matter of fact, originally it was stripped from the bill, and it came back in a rather clever way.

I give my colleague credit for passing the test. But it is making appropriations on a bill. My colleague makes that point.

Second, he makes a very important point on the substance. This issue about whether a royalty is a tax, he knows. He is on the Finance Committee. If this was a tax, he would be dealing with it.

He himself raises a crucial issue that was given short shrift by my friend from Texas, and that is, why are we here? Who do we fight for? And shouldn't it be for our children, our grandchildren, and their children? I

think he says it in very sweeping terms.

He also points out very clearly the specific problems that we face in the shortfall of our national parks, and the fact that these funds, when collected from the oil companies, go into the Land and Water Conservation Fund.

I thank the Senator.

I also want to thank Senators DURBIN, FEINGOLD, REID, WELLSTONE, DORGAN, LEVIN, HARKIN, KENNEDY, DASCHLE, BYRD, AKAKA, CLELAND, and CONRAD for yielding me time. This has meant a lot to me personally.

But it also is telling that Senators would take their time and come to the floor to speak from their heart. And they did.

I believe at the end of the day we have shown that the facts are on our side. I believe we have the arguments on our side that have been made by the consumer groups. I think the people who care about the environment are on our side. The legal precedents and settlements are on our side. Most of the States that are affected by this are on our side. I have read them into the RECORD. So if it is about States rights, we have the RECORD. The former oil executives under penalty of perjury and putting themselves on the line testified that we are right, and that there has been not one scheme but seven schemes to defraud the people of their money from royalties.

I think we have proven that we have the arguments on our side.

I am happy that we had this debate. To me, this is what the Senate should be about, and one of our colleagues from Oklahoma denigrated this debate. He said it didn't fit the Senate. He said that, in a way. I think this debate is important for the Senate.

But I want to wind up by picking up on a statement made by the Senator from Montana. He is a good debater. And he "gets with you." I like to hear him. What he said in the debate was basically, to me and the people on my side, "Get a life." He said, "Get a life."

I want to talk about my life for a minute. I want to talk about what my professional life is about. I want to assure the Senator from Montana that I have a life. As a Senator, what I try to do with my life is to find purpose in it by fighting for the people of my State and the people of this country by taking their side against the special interests when I believe the special interests are wrong.

If I believe the special interests are right, I will fight for them, if they are on the side of the people. I said earlier, and I will repeat now, there are two sides to this debate on this amendment. There are. The oil company has one side and the people have the other. I stand on the side of the people.

So I have a life. I try to make my life about justice.

My colleagues could have a different view of justice. I respect them tremendously if they do. But, to me, this is a matter of justice.

Why do I say it? I say it because we know something bad is going on when two former oil executives filed a lawsuit and described very clearly the seven schemes by the oil companies to defraud the taxpayers.

Quoting from them, they say:

There is a nationwide conspiracy by some of the world's largest oil companies to short change the United States of America of hundreds of millions of dollars in revenue.

That is not the Senator from California. It is not the Senator from Massachusetts. It is not the Senator from Florida. It is two former oil executives who spell out the seven schemes of the oil companies.

We know that there have been settlements all over the country—\$5 billion worth of settlements by seven States.

Why would these oil companies be settling all over this country? In Alaska, for \$3.7 billion; in California, for \$345 million. It goes on—in Texas, for \$30 million. The State of Texas brought suit. The State of Texas sued the oil companies. And guess what happened. The oil company didn't want to go to court. They settled for \$30 million; New Mexico, for \$6 million. It goes on.

Now these oil companies are settling because they know they don't have a leg to stand on in court because they signed an agreement to pay royalties at fair market value. The Mineral Management Service at the Department of the Interior caught them. They want to fix the problem.

This is the fourth time this Senate is interfering in that. I love this Senate too much to see that happen. It is the oil companies versus the people. I want to be on the side of the people.

I think this has been a very good debate. We have covered all the issues very well. I want to thank the media for getting involved. We have seen some very strong stories in the last few days on this. I think the original editorial written by USA Today is still the best. USA Today said: "Time to clean up Big Oil's slick deal with Congress." Those are tough words. Those are ugly words. I am sad to say, I agree. We can clean it up today. We can vote against this amendment and clean it up and have a good editorial. Wouldn't Members love to see an editorial tomorrow, "Congress cleans up its act, tells the oil companies to pay their fair share of royalties." I would be excited to see that headline. I don't think we will see it.

This issue will not go away as long as my colleagues and I are here. I think it is clear. The editorial says the taxpayers have been getting the unfair end of this deal for far too long. Congress should protect the public interest.

That is what this is about. We have heard every argument in the book: The Interior Department is terrible, Mineral Management is terrible, people in the Interior Department are terrible. Everybody is terrible. Everybody is terrible.

The people who are causing the trouble, the 5 percent of the oil companies

that are not paying their fair share, are robbing this Federal Treasury of almost \$6 million per month. That is a lot of money. Ask any constituent what they would do with \$6 million a month, and they would have a pretty good list.

Sad to say, this money that is not going into the Treasury because of this amendment could have gone to the classrooms of the States, could have gone into the Land and Water Conservation Fund, and been spent on the kinds of things Senator GRAHAM, Senator DURBIN, and many of our colleagues have pointed out need attention.

We are coming to the end of this debate. I urge my colleagues, in the name of fairness and justice, to vote against the Hutchison amendment.

I yield the floor.

Mr. ENZI. Mr. President, I rise in strong support for the amendment offered by the Senator from Texas, Senator HUTCHISON, and the Senator from New Mexico, Senator DOMENICI, on oil royalties. It is essential that we adopt this amendment to prohibit yet another attempt by this administration to "tax" the American people without their effective representation—without a bill being introduced in Congress, without its passage by both Houses of Congress, and without the President's signature.

There has been a lot of talk about whether or not the current procedures for valuing crude oil for Federal royalty purposes are working properly. I have been fascinated by this debate. The issue we are discussing is really more basic than whether the current procedures need to be modified. The question is at heart a constitutional one—if we are to change the way the Federal Government has forced oil companies to calculate Federal royalties for the last 79 years, should this change come from Congress, or should it come in the form of a tax scheme dreamed up by a Federal bureaucracy?

Not only do these rules amount to a usurpation of the legislative function by the administration, but in substance they would allow tremendous complexity for people in the oil industry. These rules would require producers to report and pay royalties under three different sets of rules. Now I've been a small businessman, and I've been on the receiving end of Federal and State regulations for a good part of my life. I can tell you, we better have a very good explanation if we are going to expect small oil companies in Wyoming to dill out a bunch more paper work just to comply with their lawful obligation to pay Federal royalties on the oil they drill on Federal lands.

If we are going to change the point at which we determine the value of the crude oil—from the wellhead to some point downstream or by reference to a national exchange, we owe it to the small producers in Wyoming, and throughout the country, to give their suggestions to Congress on any alternative plan. We need to hear how much

more time and effort this is going to be for folks who are still hurting from last year's devastatingly low crude oil prices.

I think we owe that opportunity to our Nation's oil producers, so I am proud to join the Senator from Texas and the Senator from New Mexico, and others in standing up for the right of Congress to pass laws that affect the tax burden on our domestic oil industry.

I ask unanimous consent a letter from Wyoming Governor Geringer to Senator HUTCHISON be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF WYOMING,  
OFFICE OF THE GOVERNOR,  
September 8, 1999.

Hon. KAY BAILEY HUTCHISON,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR HUTCHISON: I ask for your strong support of the amendment to the Department of Interior Appropriation Bill which would extend the moratorium on Minerals Management Service (MMS) rule making. Wyoming, as the largest stakeholder of federal oil royalty receipts (35%) supports a fair and workable oil valuation rule. However, the current proposed rules contain more uncertainty and will diminish incentives for industry to lease, explore and produce on the immense amount of federal acreage in Wyoming. Such uncertainty will lead to additional administrative, audit and legal activities, which will lead to higher costs for Wyoming producers, causing their products to be less competitive. Higher costs to the MMS are then passed on to Wyoming and other states in the sharing of net receipts. Last year Wyoming's net receipt share along of MMS activity was \$7 million.

Wyoming is currently involved in a pilot project with the MMS to take its crude oil royalties in-kind (RIK) rather than in cash. This RIK pilot program has been designed to allow the state and the MMS to reduce administrative costs, eliminate legal disputes and test the various methods of achieving fair market value for our oil. Therefore, the moratorium extension for two more years would allow such valuable experience to be tested. Allowing a sufficient amount of time to finish the pilot will assist in the development of new rules. Let us keep working cooperatively with MMS, free of this rule making distraction.

While we continue to object to the implementation of Interior's rules, Wyoming has participated in every phase of the rule-making process. We also have observed the attempts to craft distracting legislation, which would attempt to address far too many unrelated aspects of the relationship between MMS, stakeholder states and industry. We do not support such efforts. Following our experience with RIK, we believe that a simple approach establishing a voluntary RIK program for the states, embodied in no more than two pages of legislation, will be all that is necessary. Let us go to work on a simple, but effective bill.

I urge you to support the rulemaking moratorium and encourage the MMS and royalty receiving states to engage in a genuine partnership role which will insure a fair, workable and beneficial plan to collect royalties. Adoption of the proposed rules would obstruct any opportunity to improve our royalty collection process.

Thank you for your support and understanding!

Best regards,

JIM GERINGER,  
Governor.

The PRESIDING OFFICER (Mr. BENNETT). The Senator from Alaska is recognized for 5 minutes.

Mr. MURKOWSKI. Mr. President, I thank the Chair. I have listened to the debate with a little frustration, as I am sure my colleagues have, regarding the emotional arguments prevailing on an issue that fails to give disclosure to the public on what this issue is all about.

The Hutchison moratorium amendment keeps the MMS from spending money for 1 year to implement a new rule that amounts to another tax, a value-added tax, on oil produced in the United States on Federal leases. What they don't say in the debate is who pays this additional tax. It is the American consumer, the taxpayer, the public.

Bureaucrats don't have the right to unilaterally establish a tax. That is just what this proposal does. That is a right that is reserved in the Constitution, by the Constitution to this Congress. Existing law says royalties should be collected at the lease, not after value has been added downstream as the rule proposed by Department of Interior would do. This MMS rule, for the first time in history, embraces a value-added tax concept to oil valuation.

There is little mention about the energy security interests of this country. We are now dependent upon imported oil. Imported oil is the No. 1 contributor to our trade deficit. The domestic oil industry is in tough shape. In 1973, during the oil embargo, we imported 36 percent of our oil. Today, we import 56 percent. The Department of Energy says that figure will go up to the 63- to 64-percent area by the years 2005, 2006, and 2007, and over 55,000 American jobs have been lost in the last 2 years in the oil industry, five times the number in the steel industry. The MMS rule drives U.S. jobs overseas, increases our trade deficit, and makes America more dependent on one area of the world that is very volatile, the Mideast.

This moratorium by the Senator from Texas has been in place for 2 years. The press has reported two Government employees have been paid \$350,000 each from a group associated with the trial lawyers as an award for pushing for the new rule which benefits—benefits whom? It doesn't benefit the taxpayer or the consumer; it benefits the lawyers. The Department of the Interior inspector general and Justice Department are investigating. Something is rotten around here. It is not in Denmark. It has something to do with the process.

This has the effect of turning our Government regulation over to the highest bidder. No rule tainted by pay-offs to the rulemakers should be tolerated. It is interesting to note, as the Senator from Texas has, they say they

want to simplify a process. The chart today reminds me of the chart Senator SPECTER presented to this body describing the simplified health care that had been proposed by the First Lady and the administration. Again, look at this chart. If that is a simplified chart on the workable manner in which MMS proposes a value-added method for determining the appropriate royalty for oil, you and I both know that won't hold water.

This is a cancer within Government. We talk about whistleblowers and those who are supporting the proposed MMS gasoline and heating oil tax which Senator HUTCHISON's amendment postpones for 1 year. When they think about a whistleblower, most people think of something someone sees is wrong, who blows a whistle to draw attention. The Federal Government has laws on the books to protect whistleblowers who come forward to report fraud and abuse.

Let's look at this case. This case is a little different. Two Federal employees, one working for the Department of the Interior and the other working for the Department of Energy—the two Departments of jurisdiction; these are supposed to be objective people—worked behind the scenes and pushed for the MMS rule change. They were paid \$350,000 each on September 13, 1999 as rewards for their work. There is a copy of the check.

The point of this is, they were paid by a self-described public interest group which has about 200 members. This group, the Project On Government Oversight, or POGO, has rather curious ties to law firms which have made millions of dollars from suing oil companies over oil royalties. Make no mistake about who pays: The public.

As an example, POGO's board of directors has included lawyers who have worked directly on these cases for years. The City of Long Beach, CA, lost the most recent case. An attorney for the city said they spent about \$100 million on the case. That is \$100 million that could have been spent on education and was spent on lawyers instead.

The Department of the Interior is investigating, but it is illegal for Federal employees to be paid for pursuing changes to Federal regulations by those who benefit from such changes. Our Secretary of the Interior, what has he done? He has done nothing. The Interior Department had nothing to do with it.

The Hutchison amendment should be adopted to give time to work on a fair and simple regulation to States, Federal lessees, and taxpayers.

That chart is not a simplification. I commend my colleague for her effort to expose the truth behind the fiction we have heard so much about today.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I thank the Senator from Alaska, the

chairman of the Energy Committee, who understands this issue and understands the importance of a stable oil and gas supply in our country.

It has been said that the States that have the most at stake are against my amendment. I submit for the RECORD a letter from the Governor of Wyoming, who says:

Wyoming, as the largest stakeholder of federal oil royalty receipts (35 percent), supports a fair and workable oil valuation rule. However the current proposed rules contain more uncertainty and will diminish incentives for industry to lease, explore and produce on the immense amount of federal acreage in Wyoming.

The Governor of the State of North Dakota wrote:

As a major recipient of income from Federal royalties, the State of North Dakota supports reasonable rules for the valuation of federal oil royalties. Unfortunately, the current version of the rules proposed by MMS does not fit that description.

The Governor of Montana:

The complexity and uncertainty inherent in the proposed MMS rules may be a disincentive for industry, especially Montana's independent producers, to lease and produce oil and gas from federal lands. Such a disincentive will negatively impact the production of oil and gas within Montana, resulting in less royalty revenue for the state.

I think that is a very important point because we have been talking about losing \$60 million from the coffers of the Federal Government. But in fact, if oil companies cannot drill because they cannot make a profit because their costs will be higher than the price they can charge, then they are not going to drill and there will be no money in the Federal coffers—not \$66 million; there will be a diminishing of the amount of money that will come into the Federal Government.

I will submit these letters along with letters from the Secretary of Energy of Oklahoma, Commissioner David Dewhurst from the Texas General Land Office, and the California Independent Petroleum Association. They write:

Please, Senator Hutchison, pass your amendment.

We have a list of the independents who say the MMS rule will be harmful to them. These are the small producers, those with 5 or 10 or 15 employees, the families of which depend on this income. This is an independent producer issue.

It comes down to this. Through the last 10 years, the price of gasoline at the pump has increased from \$1.21 to \$1.29 per gallon. But let's look at where that increase has come from. The increase in taxes has gone from 26 cents a gallon to 40 cents a gallon. The price of the crude oil has actually gone down from 94 cents to 88 cents.

So the price has gone up. Why? Because taxes have increased. If we do not pass the Hutchison amendment, taxes are going to increase again, and who is going to pay? It is going to be the hard-working American who fills up his or her gas tank and has to pay a higher price because there are higher

taxes put on them in the name of increased royalty rates.

If we are going to have a tax increase for whatever purpose—for more education spending, for the environment, for any purpose whatsoever—let's call it a tax increase and let's vote on it up or down. Let Congress take a stand because Congress is the one that will be accountable to the people. Let's not let a Federal agency raise the price of gasoline at the pump by raising taxes on oil in the name of new oil royalty rates. Congress will not stand by and let an unelected Federal agency raise taxes on hard-working people in this country and the price of gasoline at the pump.

The Senator from California said she would like to see editorials tomorrow in the paper saying: Congress cleans up its act. I would like to see editorials. I would like to see editorials that say: Congress rejected the rhetoric; it did not listen to arguments about lawsuits on present regulations as if it would affect the future regulations; Congress stood up for its right to make tax policy in this country and not to let tax increases affect the hard-working people of this country. That is the editorial I hope to see tomorrow.

I ask unanimous consent the letters I referred to and others be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATE OF WYOMING,  
OFFICE OF THE GOVERNOR,  
September 8, 1999.

Hon. KAY BAILEY HUTCHISON,  
U.S. Senate, Washington, DC.

DEAR SENATOR HUTCHISON: I ask for your strong support of the amendment to the Department of Interior Appropriation Bill which would extend the moratorium on Minerals Management Service (MMS) rule making. Wyoming, as the largest stakeholder of federal oil royalty receipts (35%), supports a fair and workable oil valuation rule. However, the current proposed rules contain more uncertainty and will diminish incentives for industry to lease, explore and produce on the immense amount of federal acreage in Wyoming. Such uncertainty will lead to additional administrative, audit and legal activities, which will lead to higher costs for Wyoming producers, causing their products to be less competitive. Higher costs to the MMS are then passed on to Wyoming and other states in the sharing of net receipts. Last year Wyoming's net receipt share alone of MMS activity was \$7 million.

Wyoming is currently involved in a pilot project with the MMS to take its crude oil royalties in-kind (RIK) rather than in cash. This RIK pilot program has been designed to allow the state and the MMS to reduce administrative costs, eliminate legal disputes and test the various methods of achieving fair market value for our oil. Therefore, the moratorium extension for two more years would allow such valuable experience to be tested. Allowing a sufficient amount of time to finish the pilot will assist in the development of new rules. Let us keep working cooperatively with MMS, free of this rule making distraction.

While we continue to object to the implementation of Interior's rules, Wyoming has participated in every phase of the rule-making process. We also have observed the

attempts to craft distracting legislation, which would attempt to address far too many unrelated aspects of the relationship between MMS, stakeholder states and industry. We do not support such efforts. Following our experience with RIK, we believe that a simple approach establishing a voluntary RIK program for the states, embodied in no more than two pages of legislation, will be all that is necessary. Let us go to work on a simple, but effective bill.

I urge you to support the rulemaking moratorium and encourage the MMS and royalty receiving states to engage in a genuine partnership role which will insure a fair, workable and beneficial plan to collect royalties. Adoption of the proposed rules would obstruct any opportunity to improve our royalty collection process.

Thank you for your support and understanding!

Best regards,

JIM GERINGER,  
Governor.

STATE OF NORTH DAKOTA,  
OFFICE OF THE GOVERNOR  
September 7, 1999.

Hon. EARL POMEROY,  
U.S. House of Representatives, Washington, DC.

DEAR REPRESENTATIVE POMEROY: As a major recipient of income from federal royalties, the State of North Dakota supports reasonable rules for the valuation of federal oil royalties. Unfortunately, the current version of the rules proposed by the Minerals Management Service (MMS) does not fit that description.

The rules currently proposed are vague, complex, and do not solve the problem of properly determining oil value. If adopted as currently proposed, the rules will increase MMS administrative costs and oil valuation uncertainty.

Uncertainty in oil valuation works as a disincentive to industry in its future efforts to produce oil and gas from federal lands, resulting in a loss of income for North Dakota.

Increased MMS administrative costs also harm North Dakota through increased billings under the federal government's net receipts sharing laws.

Because of these considerations, I urge you to support an extension of the congressionally mandated moratorium preventing MMS from issuing final rules in the current form.

Sincerely,

EDWARD T. SCHAFER,  
Governor.

STATE OF MONTANA,  
OFFICE OF THE GOVERNOR,  
September 13, 1999.

Hon. CONRAD BURNS,  
Washington, DC.

DEAR SENATOR BURNS: I am writing to express this administration's support for the Hutchison amendment to the Department of Interior Appropriation Bill which would extend the moratorium on Minerals Management Services (MMS) rule making.

The complexity and uncertainty inherent in the proposed MMS rules may be a disincentive for industry, especially Montana's independent producers, to lease and produce oil and gas from federal lands. Such a disincentive will negatively impact the production of oil and gas within Montana, resulting in less royalty for the state.

The moratorium will provide additional time for all interested parties to develop a fair, workable and efficient plan to collect federal royalties. During this additional one year moratorium, all parties must work in earnest toward the successful conclusion of this issue.

Thank you for your support and understanding.

Sincerely,

MICK ROBINSON,  
Director of Policy

STATE OF OKLAHOMA,  
OFFICE OF THE SECRETARY OF ENERGY,  
September 11, 1999.

Hon. DON NICKLES,  
U.S. Senate, Washington, DC.

DEAR SENATOR NICKLES: I ask for your strong support of the amendment to the Department of Interior appropriation bill which would extend the moratorium on Minerals Management Service oil valuation rulemaking. Oklahoma and the other oil-producing states have worked hard to help create a simpler, fairer method of valuing oil. The proposed MMS rules are complicated and burdensome, particularly for independent producers. I believe they will act as a disincentive to lease and produce oil and gas from federal lands. Additionally, I believe their complexity and uncertainty will mean increased costs for the federal government and states.

Therefore, I strongly support extension of the current moratorium until a valuation methodology can be derived which satisfies the objective of capturing market value at the lease in a simple, certain and efficient manner.

Sincerely,

CARL MICHAEL SMITH,  
Secretary of Energy.

STATEMENT OF COMMISSIONER DAVID  
DEWHURST

Texas General Land Office

As an independent oilman who explored on and produced oil and gas from MMS leases, I know firsthand the business risks that are required in offshore exploration and production. As the elected land commissioner of Texas who serves as a trustee of state lands and waters that benefit the school kids of Texas, I am committed to ensuring that we maximize revenue for public and higher education. Therefore, I support the position advocated by Senator Hutchison. The proposed MMS rules are complicated and burdensome and would be a disincentive for industry, particularly independent producers, to lease and produce oil and gas from federal lands. I am concerned that the net effect of these rules will be less oil and gas is produced, and consequently less royalty revenue for our school kids.

*Statement from Texas Railroad Commission Chairman Tony Garza regarding Senator Kay Bailey Hutchison's (R-Texas) effort to extend the moratorium on the Mineral Management Service (MMS) proposed royalty valuation rule.*

"With oil imports continuing a dramatic rise, Senator Hutchison's effort will help guard against the serious security and economic risks associated with an American marketplace dominated by foreign crude. It's more than help for a beleaguered domestic energy industry. It's common-sense policy that strengthens our commitment to domestic production and jobs while encouraging the development of a sound U.S. energy policy."

CALIFORNIA INDEPENDENT  
PETROLEUM ASSOCIATION,  
SACRAMENTO, CA,  
September 13, 1999.

Hon. KAY BAILEY HUTCHISON,  
U.S. Senate, Washington, DC.

DEAR SENATOR HUTCHISON: The California Independent Petroleum Association (CIPA) represents 450 independent oil and gas pro-

ducers, royalty owners and service companies operating in California. CIPA wants to set the record straight. The MMS oil royalty rulemaking affects all California producers on federal land. It is false to claim that this rulemaking only affects the top 5% of all producers.

How are California independents affected? The proposed rulemaking allows the government to second guess a wellhead sale. If rejected, a California producer is subjected to an ANS index that adjusts to the wellhead set by the government. Using a government formula instead of actual proceeds results in a new tax being imposed on all producers of federal oil.

It doesn't end, if a California producer chooses to move its oil downstream of the well, the rulemaking will reject many of the costs associated with these activities. Again, to reject costs results in a new tax being levied on the producer.

Senator Hutchison, California producers support your amendment to extend the oil royalty rulemaking an additional year. We offer our support not on behalf of the largest producers in the world, but instead on behalf of independent producers in the state of California. Your amendment will provide the needed impetus to craft a rule that truly does affect the small producer and creates a new rulemaking framework that is fair and equitable for all parties.

Again, thank you for offering this amendment. We cannot allow the government to unilaterally assess an additional tax on independent producers. After record low oil prices, California producers are barely beginning to travel down a lengthy road to recovery. To assess a new tax at this time could have a devastating effect on federal production and the amount of royalties paid to the government.

Sincerely,

DANIEL P. KRAMER,  
Executive Director.

NATIONAL BLACK CHAMBER  
OF COMMERCE,  
August 5, 1999.

Hon. KAY BAILEY HUTCHISON,  
Senator, State of Texas,  
Washington, DC.

DEAR SENATOR HUTCHISON: The National Black Chamber of Commerce has been quite proud of the leadership you have shown on the issue of oil royalties and the attempt of the Minerals Management Service's, Department of Interior, to levy eventual increases on the oil industry.

The efforts of MMS are, indeed, ludicrous. Collectively, the national economy is booming and the chief subject matter is "tax reduction" not "royalty increase", which is a cute term for tax increase. What adds "salt to the wound" is the fact that despite a booming economy from a national perspective, the oil industry has not been so fortunate and is on hard times. We need to come up with vehicles that will stimulate this vital part of our economic bloodstream, not further the damages.

We support your plan to re-offer a one-year extension of the moratorium on the new rule proposed by MMS. We will also support any efforts you may have to prohibit the new rule. Good luck in giving it "the good fight".

Sincerely,

HARRY C. ALFORD,  
President and CEO.

FRONTIERS OF FREEDOM,  
ARLINGTON, VA,  
July 30, 1999.

Hon. KAY BAILEY HUTCHISON,  
U.S. Senate, Washington, DC.

Re: Supporting the Hutchison-Domenici Amendment (a Moratorium on the Proposed

Oil Valuation Rule which Prevents Unauthorized Taxation and Lawmaking by the Department of Interior).

DEAR SENATOR HUTCHISON: We are writing to express our support for the Hutchison-Domenici amendment to the FY 2000 Appropriations bill. The Hutchison-Domenici amendment prevents the Department of the Interior from rewriting laws and assessing additional taxes without the consent of the Congress. This role properly rests with the legislative branch, not with unelected bureaucrats.

In a misleading letter dated July 21, 1999, detractors of the Hutchison-Domenici amendment allege it will cost "taxpayers, schoolchildren, Native Americans, and the environment." That is not so! It's time to set the record straight—this amendment does not alter the status quo at all. This amendment says to Secretary Babbitt: Spend no money to finalize a crude oil valuation rule until the Congress agrees with your proposed methodology for defining value for royalty purposes.

We contend that a mineral lease is a contract, whether issued by the United States or any other lessor, and as such, its terms may not be unilaterally changed just because a government bureaucracy thinks more money can be squeezed from the lessee by redefining the manner in which the value of production is established. What royalty amount is due is determined by the contracts and statutes, and nothing else. For seventy-nine years the federal government has lived according to a law that establishes that the government receives value at the well—not downstream after incremental value is added. The bureaucrats at the Interior Department are in effect imposing a value added tax through the backdoor.

This is nothing short of a backdoor tax via an unlawful, inequitable rulemaking which Secretary Babbitt says is necessary because of "changing oil market." But, we think his real result, and that of his supporters such as Senator Boxer, is to cripple the domestic petroleum industry, and drive them to foreign shores and advance their goal of reducing fossil fuel consumption. This is why they falsely claim that green eyeshade accounts somehow are impacting the environment.

The outcry on behalf of schoolchildren is particularly hypocritical. Senator Boxer and Rep. George Miller are responsible for a mineral leasing law amendment in the 1993 Omnibus Budget Reconciliation Act which reduces education revenues to the State of California by over \$1 million per year—far more than the Department's oil valuation rule would add to California's treasury (approximately \$150,000 per year as scored by the Congressional Budget Office). So really, who is harming schoolchildren's education budgets? The oil industry provides millions and millions of royalty dollars each year for the U.S. Treasury and for States' coffers.

The "cheating" which Sen. Boxer and others allege is unproven. Reference to settlements by oil companies as proof of fraud is improper. When President Clinton settled the Paula Jones lawsuit his attorney admonished Senator Boxer and her fellow jurors to take no legal inference from that payment. We agree. As such, oil company settlements cannot be given precedential value. Who can fight the government forever when the royalty dollars they have paid in are used to fund enormous litigation budgets?

Lastly, two employees of the federal government who were integral to the "futures market pricing" philosophy espoused in the Department's rulemaking have been caught accepting \$350,000 checks from a private group with a stake in the outcome of False Claims Act litigation against oil companies. Ironically, the money to pay-off these two



individuals for their "heroic" actions while working as federal employees came from a settlement by one oil company. The Project on Government Oversight (POGO) last fall received well over one million dollars as a plaintiff in the suit. Shortly thereafter POGO quietly "thanked" these public servants for making this bounty possible. The Public Integrity Section of the Department of Justice has an ongoing investigation. We find it unconscionable the Administration seeks to put the valuation rule into place without getting to the bottom of this bribe first. The L.A. Times recently drew a parallel with the Teapot Dome scandal of the 1920's, but who is Albert Fall in this modern day scandal?

The Department's rule amounts to unfair taxation without the representation which Members of Congress bring by passing laws. If Congress chooses to change the mineral leasing laws to prospectively modify the terms of a lease, so be it. It should do so in the proper authorizing process with opportunity for the public to be heard. A federal judge has recently ruled the EPA has unconstitutionally encroached upon the legislature's lawmaking authority when promulgating air quality rules. We are convinced the Secretary of the Interior, in a similar manner, is far exceeding his authority unilaterally by assessing a value added tax.

Let Congress define the law on mineral royalties. We elected Members to do this job, we didn't elect Bruce Babbitt and a band of self-serving bureaucrats. Support the Hutchison-Domenici amendment.

Sincerely

George C. Landrith, Executive Director, Frontiers of Freedom; Patrick Burns, Director of Environmental Policy, Citizens for a Sound Economy; Fred L. Smith, Jr., President, Competitive Enterprise Institute; Al Cors, Jr., Vice President for Government Affairs, National Taxpayers Union; Jim Martin, President, 60 Plus; Grover C. Norquist, President, Americans for Tax Reform; Chuck Cushman, Executive Director, American Land Rights Association; Bruce Vincent, President, Alliance for America; Adena Cook, Public Lands Director, Blue Ribbon Coalition; David Ridenour, Vice President, National Center for Public Policy Research.

PEOPLE FOR THE USA,  
PUEBLO, CO.  
July 27, 1999.

Hon. KAY BAILEY HUTCHISON,  
U.S. Senate, Washington, DC.

DEAR SENATOR HUTCHISON: On behalf of the 30,000 grassroots members of People for the USA, I would once again like to thank you for your diligent efforts to bring common sense to royalty calculations and payments on federal oil and gas leases.

In their efforts to balance environmental protection with growth through grassroots actions, our members (not just those in Texas) always notice and appreciate strong, common sense leadership such as you have shown.

We support your fight to simplify the current royalty calculation system. It is already a burden on a struggling domestic oil and gas industry, and the Minerals Management Service proposal simply adds insult to injury. Royalty calculation is not, as Interior Communications Director Michael Gaudin remarked, "an issue to demagogue for another year." With 52,000 jobs lost in just the last year?

Worse, Energy Secretary Bill Richardson has suggested that domestic oilfield workers look to opportunity overseas. Senator, an Administration that talks about kicking American resource producers out of the country has a badly skewed set of priorities.

We appreciate what you are doing to straighten them out, and will back you up at the grass roots any way we can.

Again, on behalf of thousands of hard-working American resource producers, Thank you. If you have any specific suggestions as to how we can assist you, feel free to contact me any time.

Respectfully,

JEFFREY P. HARRIS,  
Executive Director.

CITIZENS FOR A SOUND ECONOMY,  
WASHINGTON, DC,  
July 27, 1999.

DEAR SENATOR HUTCHISON: The 250,000 grassroots members of Citizens for a Sound Economy (CSE) ask you to oppose any attempts in the Senate to strike the provision in the Interior Appropriation bill that delays implementation of a final crude oil valuation rule.

The current royalty system is needlessly complex and results in time-consuming disagreements and expensive litigation. The Minerals Management Service's (MMS) new oil valuation proposal is, however, deeply flawed and would have the ultimate effect of raising taxes on consumers.

The 1999 Omnibus Appropriations Act included moratorium language concerning a final crude oil valuation rule with the expectation that the Department of the Interior (DOI) and industry would enter into meaningful negotiations in order to resolve their differences. Unfortunately, more time is still needed for government and industry is required to reach a mutually beneficial compromise.

CSE recognizes this need and opposes any attempt to halt the moratorium, or curtail efforts to bring about a simpler, more workable rule.

Thank you for your attention and efforts, and for your continuing leadership in this important matter.

Sincerely,

PAUL BECKNER,  
President.

The PRESIDING OFFICER. The time of the Senator has expired. The question is on agreeing to amendment No. 1603.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative assistant called the roll.

Mr. WARNER (when his name was called). Present.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. McCAIN) is necessarily absent.

The result was announced, yeas 51, nays 47, as follows:

[Rollcall Vote No. 290 Leg.]

#### YEAS—51

Abraham	Domenici	Lincoln
Allard	Enzi	Lott
Ashcroft	Fitzgerald	Lugar
Bennett	Frist	Mack
Bingaman	Gorton	McConnell
Bond	Gramm	Murkowski
Breaux	Grams	Nickles
Brownback	Grassley	Roberts
Bunning	Hagel	Santorum
Burns	Hatch	Sessions
Campbell	Helms	Shelby
Chafee	Hutchinson	Smith (NH)
Cochran	Hutchison	Stevens
Coverdell	Inhofe	Thomas
Craig	Inouye	Thompson
Crapo	Kyl	Thurmond
DeWine	Landrieu	Voinovich

#### NAYS—47

Akaka	Feinstein	Moynihan
Baucus	Graham	Murray
Bayh	Gregg	Reed
Biden	Harkin	Reid
Boxer	Hollings	Robb
Bryan	Jeffords	Rockefeller
Byrd	Johnson	Roth
Cleland	Kennedy	Sarbanes
Collins	Kerrey	Schumer
Conrad	Kerry	Smith (OR)
Daschle	Kohl	Snowe
Dodd	Lautenberg	Specter
Dorgan	Leahy	Torricelli
Durbin	Levin	Wellstone
Edwards	Lieberman	Wyden
Feingold	Mikulski	

#### ANSWERED "PRESENT"—1

Warner

#### NOT VOTING—1

McCain

The amendment (No. 1603) was agreed to.

Mr. GORTON. Mr. President, I move to reconsider the vote.

Mrs. HUTCHISON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

• Mr. McCAIN. Mr. President, I want to state for the record that, had I been able to, I would have voted against the Hutchison amendment to the Interior appropriations bill, which proposed to continue a moratorium on revising Interior regulations governing how much oil companies pay for oil drilled on public lands and resources. I regret that previous commitments prevented my availability to be in the Senate for this critical vote.

This issue seems fairly straightforward. Oil companies are required to pay royalties for on- and off-shore oil drilling. Fees are based on current law which clearly states that "the value of production for purposes of computing royalty on production. . . shall never be less than the fair market value of the production." Revenues generated from these royalties are returned to the federal treasury. However, for many years, oil companies have been allowed to set their own rates.

In the past, I have supported similar amendments which extended a moratorium on rulemaking while affected parties were involved in negotiations to update the regulations. However, this process has been stalled for years, with little possibility of reaching resolution because these legislative riders imposing a moratorium on regulation changes have created a disincentive for oil companies to agree to any fee increases, resulting in taxpayers losing as much as \$66 million a year.

Who loses from this stalemate? The taxpayers—because royalties returned to the federal treasury benefit states, Indian tribes, federal programs such as the Historic Preservation Fund and the Land and Water Conservation Fund, and national parks.

I supported cloture twice to end debate on this amendment because I believe we should vote on the underlying amendment to allow a fair and equitable solution of royalty valuation of oil on federal lands. On the final vote,

however, I would have opposed the Hutchison amendment to continue this moratorium because I believe we should halt the process by which oil companies can set their own rules and determine how much they pay the taxpayers for the use of public assets. I do not support a structure which only serves to benefit big oil companies and allows them to continue to be subsidized by the taxpayers.

We should seek fairness for each and every industry doing business on public lands using public assets, and we should insist that same treatment be applied to oil companies. Fees that are assessed from drilling oil on public lands are directed back to the federal treasury and these fees should reflect the true value of the benefit oil companies receive.

We have a responsibility, both as legislators and as public servants, to ensure responsible management of our public lands and a fair return to taxpayers. That responsibility includes determining a fair fee structure for oil drilling on public lands. Despite passage of this amendment which continues this moratorium for yet another year, I hope that we can reach a reasonable agreement to ensure proper payment by oil companies for utilizing public resources.●

Mr. REID. Mr. President, I had intended to offer to the fiscal year 2000 Interior appropriations measure an amendment that would have repealed a provision that the Congress tucked into last year's massive omnibus appropriations bill.

That provision established a one-year moratorium on any new or expanded Indian Self-Determination Act contract, grant, or compact between the Bureau of Indian Affairs, or the Indian Health Service, and Indian tribes.

The establishment of this moratorium was a result of the growing shortfall between allowable contract support costs and the amounts appropriated for such costs.

The rationale when we imposed the moratorium was that shortfalls in contract support costs would continue to increase as long as Indian tribes entered into new contracts with the BIA or IHS.

Therefore, it was argued that the best way to prevent these increasing shortfalls simply would be to prevent the tribes from even entering into new contracts.

Logical as it may sound, the moratorium has had the practical effect of preventing many Indian tribes from providing their members with the most basic of services, whether it involves health services, social services, law enforcement or road maintenance.

Mr. President, while I have withdrawn my amendment at this time, I would like to emphasize the importance of addressing this issue.

I would note that as we go to conference, the House version of this legislation does not contain the provision which extends the moratorium on self-determination contracts.

Mr. President, I ask my friend from New Mexico whether he is familiar with Section 324 of H.R. 2466, the FY 2000 Interior appropriations measure, which is currently pending before the Senate.

Mr. BINGAMAN. I am familiar with this provision. Section 324 extends the one-year moratorium established last year prohibiting Indian tribes from entering into or expanding existing Self-Determination Act contracts, grants or compacts with the Bureau of Indian Affairs or the Indian Health Service.

Mr. REID. I would also ask the Senator to explain the effect of the moratorium contained within Section 324 of this legislation.

Mr. BINGAMAN. Certainly. While this moratorium was established to address the growing shortfall between allowable contract support costs and the amounts appropriated for such costs, the practical effect of the prohibition has been to prevent many Indian tribes from providing their members with the most basic of services, whether it involves health services, social services, law enforcement or road maintenance.

Mr. REID. I concur with the Senator.

A prime example of this effect involves the Washoe Tribe of Nevada and California, which was prevented from entering into a contract for the most basic service, even though they were willing to proceed despite the realization that their contract support costs would not be fully covered.

In the Alpine Country of the Washoe tribal lands, huge amounts of snowfall are not uncommon. The BIA has a snowplow, and until recently, also had a snowplow operator who would help clear snow after the lands were hit by storms. The BIA operator recently retired, however, so the tribe made plans to contract with the BIA, under the Indian Self-Determination Act, to take possession of the plow in order to allow a fully-trained tribe member to operate the truck and clear the snow.

You can imagine their surprise, therefore, when the local BIA office informed them that they were prohibited by statute from entering into that contract for such a simple, yet important, task of clearing snow.

The inability to clear snow in a timely fashion created a logistical nightmare and a safety hazard, not to mention further strains on an already-strained tribal economy.

For the Washoe Tribe, contract support funds weren't the primary concern; the safety and well-being of the tribe's members superseded that concern.

I ask the Senator from New Mexico if he is familiar with these types of consequences.

Mr. BINGAMAN. I say to the senior Senator from Nevada that I am very familiar with this reality. In my home State of New Mexico, I have seen several instances where Indian tribes have been unable to provide their members with the most basic of services because the moratorium prohibits them from contracting with BIA or IHS.

Mr. REID. Isn't it also true that the House of Representatives, during its consideration of the fiscal year 2000 Interior appropriations measure, removed the moratorium from its version of the legislation.

Mr. BINGAMAN. The Senator is correct. During the debate of H.R. 2466 in the House, Representative DALE KILDEE of Michigan raised a point of order against the provision containing the moratorium on the grounds that the language violated a rule against legislating on appropriations bills.

Mr. REID. And, isn't it also true that the Chair upheld that point of order, thereby striking the moratorium provision from the House measure.

Mr. BINGAMAN. The Senator from Nevada is correct. The House version of the fiscal year 2000 Interior appropriations does not contain a moratorium prohibiting Indian tribes from entering into or expanding existing Self-Determination Act contracts, grants or compacts with the Bureau of Indian Affairs or the Indian Health Service.

Mr. REID. I thank the Senator from New Mexico and urge my colleagues to reevaluate this issue as we head to conference with the House.

Mr. CAMPBELL. Mr. President, I call upon my colleagues to support the fiscal year 2000 Interior appropriations bill which will help preserve our natural wonders. The bill contains an amendment that I offered which would direct the forest service to conduct a study of the severity of Mountain Pine Beetle in the Rocky Mountain Region and report back to Congress within six months after enactment on how to address this problem. As adopted the amendment would not have any budget ramifications.

My amendment is in the interest of our national forests. According to the Forest Service this outbreak of the Pine Beetle infestation is similar to the one that occurred in the 1970's. During that period there were peak annual losses of over 1 million trees as a result of the beetle. Right now we are seeing the beginning of another epidemic, which is continuing to grow.

There are a number of factors which contribute to the current Mountain Pine Beetle problem—the general lack of forest management, which includes proper timber harvesting, and increased susceptibility resulting from the suppression of forest fires.

The current infestation is in the northern two-thirds of the front range of Colorado where the largest number of people live in my home state. Surveys by the Forest Service and Colorado State Forest Service survey shows 12,891 dead trees detected in 1996; 32,445 in 1997; and 74,288 in 1998. All indications are that we will see a staggering 150,000 trees infested in 1999. It is clear that if this trend continues we will see an outbreak worse than the 1970's. I am also concerned about the high possibility that dead timber from the pine beetle will catch on fire and wreak havoc on Colorado's front range.

It is important for Congress to address this problem now before it gets out of control and the people of Colorado find themselves with thousands of dead trees. I urge my colleagues to support passage of the bill.

I thank the Chair and yield the floor. Mr. GORTON. Mr. President, I ask for third reading of the bill.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

Mr. GORTON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read for the third time, the question is, Shall the bill pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) is necessarily absent.

The result was announced—yeas 89, nays 10, as follows:

[Rollcall Vote No. 291 Leg.]

#### YEAS—89

Abraham	Enzi	Lott
Akaka	Feinstein	Lugar
Allard	Fitzgerald	Mack
Baucus	Frist	McConnell
Bayh	Gorton	Mikulski
Bennett	Gramm	Moynihan
Bingaman	Grams	Murkowski
Bond	Grassley	Nickles
Breaux	Gregg	Reed
Brownback	Hagel	Reid
Bryan	Harkin	Robb
Bunning	Hatch	Roberts
Burns	Helms	Rockefeller
Byrd	Hollings	Roth
Campbell	Hutchinson	Santorum
Chafee	Hutchison	Sarbanes
Cleland	Inhofe	Schumer
Cochran	Inouye	Sessions
Collins	Jeffords	Shelby
Conrad	Johnson	Smith (NH)
Coverdell	Kennedy	Smith (OR)
Craig	Kerrey	Snowe
Crapo	Kerry	Specter
Daschle	Kohl	Stevens
DeWine	Kyl	Thomas
Dodd	Landrieu	Thompson
Domenici	Leahy	Thurmond
Dorgan	Levin	Torricelli
Durbin	Lieberman	Warner
Edwards	Lincoln	

#### NAYS—10

Ashcroft	Graham	Wellstone
Biden	Lautenberg	Wyden
Boxer	Murray	
Feingold	Voinovich	

#### NOT VOTING—1

McCain

The bill (H.R. 2466), as amended, was passed, as follows:

*Resolved*, That the bill from the House of Representatives (H.R. 2466) entitled "An Act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 2000, and for other purposes.", do pass with the following amendment:

Strike out all after the enacting clause and insert:

*That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of the Interior and related agencies for the fiscal year ending September 30, 2000, and for other purposes, namely:*

#### TITLE I—DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

##### MANAGEMENT OF LANDS AND RESOURCES

*For expenses necessary for protection, use, improvement, development, disposal, cadastral surveying, classification, acquisition of easements and other interests in lands, and performance of other functions, including maintenance of facilities, as authorized by law, in the management of lands and their resources under the jurisdiction of the Bureau of Land Management, including the general administration of the Bureau, and assessment of mineral potential of public lands pursuant to Public Law 96-487 (16 U.S.C. 3150(a)), \$634,321,000, to remain available until expended, of which \$2,147,000 shall be available for assessment of the mineral potential of public lands in Alaska pursuant to section 1010 of Public Law 96-487 (16 U.S.C. 3150); and of which not to exceed \$1,000,000 shall be derived from the special receipt account established by the Land and Water Conservation Act of 1965, as amended (16 U.S.C. 4601-6a(i)); and of which \$1,500,000 shall be available in fiscal year 2000 subject to a match by at least an equal amount by the National Fish and Wildlife Foundation, to such Foundation for cost-shared projects supporting conservation of Bureau lands; in addition, \$33,529,000 for Mining Law Administration program operations, including the cost of administering the mining claim fee program; to remain available until expended, to be reduced by amounts collected by the Bureau and credited to this appropriation from annual mining claim fees so as to result in a final appropriation estimated at not more than \$634,321,000, and \$2,000,000, to remain available until expended, from communication site rental fees established by the Bureau for the cost of administering communication site activities: Provided, That appropriations herein made shall not be available for the destruction of healthy, unadopted, wild horses and burros in the care of the Bureau or its contractors.*

##### WILDLAND FIRE MANAGEMENT

*For necessary expenses for fire preparedness, suppression operations, emergency rehabilitation and hazardous fuels reduction by the Department of the Interior, \$283,805,000, to remain available until expended, of which not to exceed \$5,025,000 shall be for the renovation or construction of fire facilities: Provided, That such funds are also available for repayment of advances to other appropriation accounts from which funds were previously transferred for such purposes: Provided further, That unobligated balances of amounts previously appropriated to the "Fire Protection" and "Emergency Department of the Interior Firefighting Fund" may be transferred and merged with this appropriation: Provided further, That persons hired pursuant to 43 U.S.C. 1469 may be furnished subsistence and lodging without cost from funds available from this appropriation: Provided further, That notwithstanding 42 U.S.C. 1856d, sums received by a bureau or office of the Department of the Interior for fire protection rendered pursuant to 42 U.S.C. 1856 et seq., Protection of United States Property, may be credited to the appropriation from which funds were expended to provide that protection, and are available without fiscal year limitation.*

##### CENTRAL HAZARDOUS MATERIALS FUND

*For necessary expenses of the Department of the Interior and any of its component offices and bureaus for the remedial action, including associated activities, of hazardous waste substances, pollutants, or contaminants pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, as amended*

*(42 U.S.C. 9601 et seq.), \$10,000,000, to remain available until expended: Provided, That notwithstanding 31 U.S.C. 3302, sums recovered from or paid by a party in advance of or as reimbursement for remedial action or response activities conducted by the Department pursuant to section 107 or 113(f) of such Act, shall be credited to this account to be available until expended without further appropriation: Provided further, That such sums recovered from or paid by any party are not limited to monetary payments and may include stocks, bonds or other personal or real property, which may be retained, liquidated, or otherwise disposed of by the Secretary and which shall be credited to this account.*

##### CONSTRUCTION

*For construction of buildings, recreation facilities, roads, trails, and appurtenant facilities, \$12,418,000, to remain available until expended.*

##### PAYMENTS IN LIEU OF TAXES

*For expenses necessary to implement the Act of October 20, 1976, as amended (31 U.S.C. 6901-6907), \$135,000,000, of which not to exceed \$400,000 shall be available for administrative expenses: Provided, That no payment shall be made to otherwise eligible units of local government if the computed amount of the payment is less than \$100.*

##### LAND ACQUISITION

*For expenses necessary to carry out sections 205, 206, and 318(d) of Public Law 94-579, including administrative expenses and acquisition of lands or waters, or interests therein, \$17,400,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.*

##### OREGON AND CALIFORNIA GRANT LANDS

*For expenses necessary for management, protection, and development of resources and for construction, operation, and maintenance of access roads, reforestation, and other improvements on the revested Oregon and California Railroad grant lands, on other Federal lands in the Oregon and California land-grant counties of Oregon, and on adjacent rights-of-way; and acquisition of lands or interests therein including existing connecting roads on or adjacent to such grant lands; \$99,225,000, to remain available until expended: Provided, That 25 percent of the aggregate of all receipts during the current fiscal year from the revested Oregon and California Railroad grant lands is hereby made a charge against the Oregon and California land-grant fund and shall be transferred to the General Fund in the Treasury in accordance with the second paragraph of subsection (b) of title II of the Act of August 28, 1937 (50 Stat. 876).*

##### FOREST ECOSYSTEMS HEALTH AND RECOVERY FUND

##### (REVOLVING FUND, SPECIAL ACCOUNT)

*In addition to the purposes authorized in Public Law 102-381, funds made available in the Forest Ecosystem Health and Recovery Fund can be used for the purpose of planning, preparing, and monitoring salvage timber sales and forest ecosystem health and recovery activities such as release from competing vegetation and density control treatments. The Federal share of receipts (defined as the portion of salvage timber receipts not paid to the counties under 43 U.S.C. 1181f and 43 U.S.C. 1181f-1 et seq., and Public Law 103-66) derived from treatments funded by this account shall be deposited into the Forest Ecosystem Health and Recovery Fund.*

##### RANGE IMPROVEMENTS

*For rehabilitation, protection, and acquisition of lands and interests therein, and improvement of Federal rangelands pursuant to section 401 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701), notwithstanding any other Act, sums equal to 50 percent of all monies received during the prior fiscal year under sections 3 and 15 of the Taylor Grazing Act (43 U.S.C. 315 et seq.) and the amount designated*

for range improvements from grazing fees and mineral leasing receipts from Bankhead-Jones lands transferred to the Department of the Interior pursuant to law, but not less than \$10,000,000, to remain available until expended: Provided, That not to exceed \$600,000 shall be available for administrative expenses.

#### SERVICE CHARGES, DEPOSITS, AND FORFEITURES

For administrative expenses and other costs related to processing application documents and other authorizations for use and disposal of public lands and resources, for costs of providing copies of official public land documents, for monitoring construction, operation, and termination of facilities in conjunction with use authorizations, and for rehabilitation of damaged property, such amounts as may be collected under Public Law 94-579, as amended, and Public Law 93-153, to remain available until expended: Provided, That notwithstanding any provision to the contrary of section 305(a) of Public Law 94-579 (43 U.S.C. 1735(a)), any moneys that have been or will be received pursuant to that section, whether as a result of forfeiture, compromise, or settlement, if not appropriate for refund pursuant to section 305(c) of that Act (43 U.S.C. 1735(c)), shall be available and may be expended under the authority of this Act by the Secretary to improve, protect, or rehabilitate any public lands administered through the Bureau of Land Management which have been damaged by the action of a resource developer, purchaser, permittee, or any unauthorized person, without regard to whether all moneys collected from each such action are used on the exact lands damaged which led to the action: Provided further, That any such moneys that are in excess of amounts needed to repair damage to the exact land for which funds were collected may be used to repair other damaged public lands.

#### MISCELLANEOUS TRUST FUNDS

In addition to amounts authorized to be expended under existing laws, there is hereby appropriated such amounts as may be contributed under section 307 of the Act of October 21, 1976 (43 U.S.C. 1701), and such amounts as may be advanced for administrative costs, surveys, appraisals, and costs of making conveyances of omitted lands under section 211(b) of that Act, to remain available until expended.

#### ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Land Management shall be available for purchase, erection, and dismantlement of temporary structures, and alteration and maintenance of necessary buildings and appurtenant facilities to which the United States has title; up to \$100,000 for payments, at the discretion of the Secretary, for information or evidence concerning violations of laws administered by the Bureau; miscellaneous and emergency expenses of enforcement activities authorized or approved by the Secretary and to be accounted for solely on his certificate, not to exceed \$10,000: Provided, That notwithstanding 44 U.S.C. 501, the Bureau may, under cooperative cost-sharing and partnership arrangements authorized by law, procure printing services from cooperators in connection with jointly produced publications for which the cooperators share the cost of printing either in cash or in services, and the Bureau determines the cooperator is capable of meeting accepted quality standards.

#### UNITED STATES FISH AND WILDLIFE SERVICE RESOURCE MANAGEMENT

For necessary expenses of the United States Fish and Wildlife Service, for scientific and economic studies, conservation, management, investigations, protection, and utilization of fishery and wildlife resources, except whales, seals, and sea lions, maintenance of the herd of long-horned cattle on the Wichita Mountains Wildlife Refuge, general administration, and for the performance of other authorized functions related to such resources by direct expenditure,

contracts, grants, cooperative agreements and reimbursable agreements with public and private entities, \$684,569,000, to remain available until September 30, 2001, except as otherwise provided herein, of which \$400,000 shall be available for grants under the Great Lakes Fish and Wildlife Restoration Program, and of which \$300,000 shall be available for spartina grass research being conducted by the University of Washington, and of which \$500,000 of the amount available for consultation shall be available for development of a voluntary-enrollment habitat conservation plan for cold water fish in cooperation with the States of Idaho and Montana (of which \$250,000 shall be made available to each of the States of Idaho and Montana), and of which \$150,000 shall be available to Michigan State University toward creation of a community development database, and of which \$11,701,000 shall remain available until expended for operation and maintenance of fishery mitigation facilities constructed by the Corps of Engineers under the Lower Snake River Compensation Plan, authorized by the Water Resources Development Act of 1976, to compensate for loss of fishery resources from water development projects on the Lower Snake River, and of which not less than \$400,000 shall be available to the United States Fish and Wildlife Service for use in reviewing applications from the State of Colorado under section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536), and in assisting the State of Colorado by providing resources to develop and administer components of State habitat conservation plans relating to the Preble's meadow jumping mouse: Provided, That not less than \$1,000,000 for high priority projects which shall be carried out by the Youth Conservation Corps as authorized by the Act of August 13, 1970, as amended: Provided further, That not to exceed \$5,932,000 shall be used for implementing subsections (a), (b), (c), and (e) of section 4 of the Endangered Species Act, as amended, for species that are indigenous to the United States (except for processing petitions, developing and issuing proposed and final regulations, and taking any other steps to implement actions described in subsections (c)(2)(A), (c)(2)(B)(i), or (c)(2)(B)(ii)): Provided further, That of the amount available for law enforcement, up to \$400,000 to remain available until expended, may at the discretion of the Secretary, be used for payment for information, rewards, or evidence concerning violations of laws administered by the Service, and miscellaneous and emergency expenses of enforcement activity, authorized or approved by the Secretary and to be accounted for solely on his certificate: Provided further, That of the amount provided for environmental contaminants, up to \$1,000,000 may remain available until expended for contaminant sample analyses: Provided further, That all fines collected by the U.S. Fish and Wildlife Service for violations of the Marine Mammal Protection Act (16 U.S.C. 1362-1407) and implementing regulations shall be available to the Secretary, without further appropriation, to be used for the expenses of the U.S. Fish and Wildlife Service in administering activities for the protection and recovery of manatees, polar bears, sea otters, and walrus, and shall remain available until expended: Provided further, That, heretofore and hereafter, in carrying out work under reimbursable agreements with any state, local, or tribal government, the U.S. Fish and Wildlife Service may, without regard to 31 U.S.C. 1341 and notwithstanding any other provision of law or regulation, record obligations against accounts receivable from such entities, and shall credit amounts received from such entities to this appropriation, such credit to occur within 90 days of the date of the original request by the Service for payment: Provided further, That all funds received by the United States Fish and Wildlife Service from responsible parties, heretofore and through fiscal year 2000, for site-specific damages to National Wildlife Refuge System lands resulting from the exercise

of privately-owned oil and gas rights associated with such lands in the States of Louisiana and Texas (other than damages recoverable under the Comprehensive Environmental Response, Compensation and Liability Act (26 U.S.C. 4611 et seq.), the Oil Pollution Act (33 U.S.C. 1301 et seq.), or section 311 of the Clean Water Act (33 U.S.C. 1321 et seq.)), shall be available to the Secretary, without further appropriation and until expended to (1) complete damage assessments of the impacted site by the Secretary; (2) mitigate or restore the damaged resources; and (3) monitor and study the recovery of such damaged resources.

#### CONSTRUCTION

For construction and acquisition of buildings and other facilities required in the conservation, management, investigation, protection, and utilization of fishery and wildlife resources, and the acquisition of lands and interests therein; \$40,434,000, to remain available until expended: Provided, That notwithstanding any other provision of law, a single procurement for the construction of facilities at the Alaska Maritime National Wildlife Refuge may be issued which includes the full scope of the project: Provided further, That the solicitation and the contract shall contain the clauses "availability of funds" found at 48 C.F.R. 52.232.18.

#### LAND ACQUISITION

For expenses necessary to carry out the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4 through 11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the United States Fish and Wildlife Service, \$56,444,000, to be derived from the Land and Water Conservation Fund and to remain available until expended, of which not to exceed \$1,000,000 shall be available to the Boyer Chute National Wildlife Refuge for land acquisition.

#### COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND

For expenses necessary to carry out the provisions of the Endangered Species Act of 1973 (16 U.S.C. 1531-1543), as amended, \$21,480,000, to be derived from the Cooperative Endangered Species Conservation Fund, and to remain available until expended.

#### NATIONAL WILDLIFE REFUGE FUND

For expenses necessary to implement the Act of October 17, 1978 (16 U.S.C. 715s), \$10,000,000.

#### MULTINATIONAL SPECIES CONSERVATION FUND

For expenses necessary to carry out the African Elephant Conservation Act (16 U.S.C. 4201-4203, 4211-4213, 4221-4225, 4241-4245, and 1538), the Asian Elephant Conservation Act of 1997 (16 U.S.C. 4261-4266), and the Rhinoceros and Tiger Conservation Act of 1994 (16 U.S.C. 5301-5306), \$2,400,000, to remain available until expended: Provided, That funds made available under this Act, Public Law 105-277, and Public Law 105-83 for rhinoceros, tiger, and Asian elephant conservation programs are exempt from any sanctions imposed against any country under section 102 of the Arms Export Control Act (22 U.S.C. 2799aa-1).

#### NORTH AMERICAN WETLANDS CONSERVATION FUND

For expenses necessary to carry out the provisions of the North American Wetlands Conservation Act, Public Law 101-233, as amended, \$15,000,000, to remain available until expended.

#### WILDLIFE CONSERVATION AND APPRECIATION FUND

For necessary expenses of the Wildlife Conservation and Appreciation Fund, \$800,000, to remain available until expended.

#### ADMINISTRATIVE PROVISIONS

Appropriations and funds available to the United States Fish and Wildlife Service shall be available for purchase of not to exceed 70 passenger motor vehicles, of which 61 are for replacement only (including 36 for police-type use); repair of damage to public roads within and adjacent to reservation areas caused by operations of the Service; options for the purchase

of land at not to exceed \$1 for each option; facilities incident to such public recreational uses on conservation areas as are consistent with their primary purpose; and the maintenance and improvement of aquaria, buildings, and other facilities under the jurisdiction of the Service and to which the United States has title, and which are used pursuant to law in connection with management and investigation of fish and wildlife resources: Provided, That notwithstanding 44 U.S.C. 501, the Service may, under cooperative cost sharing and partnership arrangements authorized by law, procure printing services from cooperators in connection with jointly produced publications for which the cooperators share at least one-half the cost of printing either in cash or services and the Service determines the cooperator is capable of meeting accepted quality standards: Provided further, That the Service may accept donated aircraft as replacements for existing aircraft: Provided further, That notwithstanding any other provision of law, the Secretary of the Interior may not spend any of the funds appropriated in this Act for the purchase of lands or interests in lands to be used in the establishment of any new unit of the National Wildlife Refuge System unless the purchase is approved in advance by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in Senate Report 105-56.

#### NATIONAL PARK SERVICE

##### OPERATION OF THE NATIONAL PARK SYSTEM

For expenses necessary for the management, operation, and maintenance of areas and facilities administered by the National Park Service (including special road maintenance service to trucking permittees on a reimbursable basis), and for the general administration of the National Park Service, including not less than \$1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by the Youth Conservation Corps as authorized by 16 U.S.C. 1706, \$1,355,176,000, of which \$8,800,000 is for research, planning and interagency coordination in support of land acquisition for Everglades restoration shall remain available until expended, and of which not to exceed \$8,000,000, to remain available until expended, is to be derived from the special fee account established pursuant to title V, section 5201 of Public Law 100-203.

##### NATIONAL RECREATION AND PRESERVATION

For expenses necessary to carry out recreation programs, natural programs, cultural programs, heritage partnership programs, environmental compliance and review, international park affairs, statutory or contractual aid for other activities, and grant administration, not otherwise provided for, \$51,451,000, of which not less than \$1,500,000 shall be available to carry out the Urban Park and Recreation Recovery Act of 1978 (16 U.S.C. 2501 et seq.): Provided, That notwithstanding any other provision of law, the National Park Service may hereafter recover all fees derived from providing necessary review services associated with historic preservation tax certification, and such funds shall be available until expended without further appropriation for the costs of such review services.

##### HISTORIC PRESERVATION FUND

For expenses necessary in carrying out the Historic Preservation Act of 1966, as amended (16 U.S.C. 470), and the Omnibus Parks and Public Lands Management Act of 1996 (Public Law 104-333), \$42,412,000, to be derived from the Historic Preservation Fund, to remain available until September 30, 2001, of which \$8,422,000 pursuant to section 507 of Public Law 104-333 shall remain available until expended.

##### CONSTRUCTION

For construction, improvements, repair or replacement of physical facilities, including the modifications authorized by section 104 of the Everglades National Park Protection and Expansion Act of 1989, \$223,153,000, to remain

available until expended, of which \$1,100,000 shall be for realignment of the Denali National Park entrance road, of which not less than \$3,500,000 shall be available for modifications to the Franklin Delano Roosevelt Memorial, and of which \$90,000 shall be available for planning and development of interpretive sites for the quadricentennial commemoration of the Saint Croix Island International Historic Site, Maine, including possible interpretive sites in Calais, Maine, and of which not less than \$1,000,000 shall be available, subject to an Act of authorization, to conduct a feasibility study on the preservation of certain Civil War battlefields along the Vicksburg Campaign Trail, and of which \$500,000 shall be available for the Wilson's Creek National Battlefield: Provided, That \$5,000,000 for the Wheeling National Heritage Area and \$1,000,000 for Montpelier shall be derived from the Historic Preservation Fund pursuant to 16 U.S.C. 470a: Provided further, That \$1,000,000 shall be made available for Isle Royale National Park to address visitor facility and infrastructure deterioration: Provided further, That notwithstanding any other provision of law, a single procurement for the construction of visitor facilities at Brooks Camp at Katmai National Park and Preserve may be issued which includes the full scope of the project: Provided further, That the solicitation and the contract shall contain the clause "availability of funds" found at 48 CFR 52.232.18.

##### LAND AND WATER CONSERVATION FUND (RESCISSION)

The contract authority provided for fiscal year 2000 by 16 U.S.C. 4601-10a is rescinded.

##### LAND ACQUISITION AND STATE ASSISTANCE

For expenses necessary to carry out the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4 through 11), including administrative expenses, and for acquisition of lands or waters, or interest therein, in accordance with statutory authority applicable to the National Park Service, \$87,725,000, to be derived from the Land and Water Conservation Fund, to remain available until expended, of which \$500,000 is to administer the State assistance program, and in addition \$20,000,000 shall be available to provide financial assistance to States and shall be derived from the Land and Water Conservation Fund, and of which not less than \$2,000,000 shall be used to acquire the Weir Farm National Historic Site in Connecticut, and of which not less than \$3,000,000 shall be available for the Fredericksburg and Spotsylvania National Military Park, and of which not less than \$1,700,000 shall be available for the acquisition of properties in Keweenaw National Historical Park, Michigan, and of which \$200,000 shall be available for the acquisition of lands at Fort Sumter National Monument.

##### ADMINISTRATIVE PROVISIONS

Appropriations for the National Park Service shall be available for the purchase of not to exceed 384 passenger motor vehicles, of which 298 shall be for replacement only, including not to exceed 312 for police-type use, 12 buses, and 6 ambulances: Provided, That none of the funds appropriated to the National Park Service may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: Provided further, That none of the funds appropriated to the National Park Service may be used to implement an agreement for the redevelopment of the southern end of Ellis Island until such agreement has been submitted to the Congress and shall not be implemented prior to the expiration of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) from the receipt by the Speaker of the House of Representatives and the President of the Senate of a full and comprehensive report on the development of the southern end of Ellis Island, including the facts and circumstances relied upon in support of the proposed project.

None of the funds in this Act may be spent by the National Park Service for activities taken in direct response to the United Nations Biodiversity Convention.

The National Park Service may distribute to operating units based on the safety record of each unit the costs of programs designed to improve workplace and employee safety, and to encourage employees receiving workers' compensation benefits pursuant to chapter 81 of title 5, United States Code, to return to appropriate positions for which they are medically able.

#### UNITED STATES GEOLOGICAL SURVEY

##### SURVEYS, INVESTIGATIONS, AND RESEARCH

For expenses necessary for the United States Geological Survey to perform surveys, investigations, and research covering topography, geology, hydrology, biology, and the mineral and water resources of the United States, its territories and possessions, and other areas as authorized by 43 U.S.C. 31, 1332, and 1340; classify lands as to their mineral and water resources; give engineering supervision to power permittees and Federal Energy Regulatory Commission licensees; administer the minerals exploration program (30 U.S.C. 641); and publish and disseminate data relative to the foregoing activities; and to conduct inquiries into the economic conditions affecting mining and materials processing industries (30 U.S.C. 3, 21a, and 1603; 50 U.S.C. 98g(1)) and related purposes as authorized by law and to publish and disseminate data; \$813,093,000, of which \$72,314,000 shall be available only for cooperation with States or municipalities for water resources investigations; and of which \$16,400,000 shall remain available until expended for conducting inquiries into the economic conditions affecting mining and materials processing industries; and of which \$2,000,000 shall remain available until expended for ongoing development of a mineral and geologic data base; and of which \$160,248,000 shall be available until September 30, 2001 for the biological research activity and the operation of the Cooperative Research Units: Provided, That of the funds available for the biological research activity, \$1,000,000 shall be made available by grant to the University of Alaska for conduct of, directly or through subgrants, basic marine research activities in the North Pacific Ocean pursuant to a plan approved by the Department of Commerce, the Department of the Interior, and the State of Alaska: Provided further, That none of these funds provided for the biological research activity shall be used to conduct new surveys on private property, unless specifically authorized in writing by the property owner: Provided further, That no part of this appropriation shall be used to pay more than one-half the cost of topographic mapping or water resources data collection and investigations carried on in cooperation with States and municipalities.

##### ADMINISTRATIVE PROVISIONS

The amount appropriated for the United States Geological Survey shall be available for the purchase of not to exceed 53 passenger motor vehicles, of which 48 are for replacement only; reimbursement to the General Services Administration for security guard services; contracting for the furnishing of topographic maps and for the making of geophysical or other specialized surveys when it is administratively determined that such procedures are in the public interest; construction and maintenance of necessary buildings and appurtenant facilities; acquisition of lands for gauging stations and observation wells; expenses of the United States National Committee on Geology; and payment of compensation and expenses of persons on the rolls of the Survey duly appointed to represent the United States in the negotiation and administration of interstate compacts: Provided, That activities funded by appropriations herein made

may be accomplished through the use of contracts, grants, or cooperative agreements as defined in 31 U.S.C. 6302 et seq.: Provided further, That the United States Geological Survey may contract directly with individuals or indirectly with institutions or nonprofit organizations, without regard to 41 U.S.C. 5, for the temporary or intermittent services of students or recent graduates, who shall be considered employees for the purposes of chapters 57 and 81 of title 5, United States Code, relating to compensation for travel and work injuries, and chapter 171 of title 28, United States Code, relating to tort claims, but shall not be considered to be Federal employees for any other purposes.

#### MINERALS MANAGEMENT SERVICE

##### ROYALTY AND OFFSHORE MINERALS MANAGEMENT

For expenses necessary for minerals leasing and environmental studies, regulation of industry operations, and collection of royalties, as authorized by law; for enforcing laws and regulations applicable to oil, gas, and other minerals leases, permits, licenses and operating contracts; and for matching grants or cooperative agreements; including the purchase of not to exceed eight passenger motor vehicles for replacement only; \$110,682,000, of which \$84,569,000 shall be available for royalty management activities; and an amount not to exceed \$124,000,000, to be credited to this appropriation and to remain available until expended, from additions to receipts resulting from increases to rates in effect on August 5, 1993, from rate increases to fee collections for Outer Continental Shelf administrative activities performed by the Minerals Management Service over and above the rates in effect on September 30, 1993, and from additional fees for Outer Continental Shelf administrative activities established after September 30, 1993: Provided, That \$3,000,000 for computer acquisitions shall remain available until September 30, 2001: Provided further, That funds appropriated under this Act shall be available for the payment of interest in accordance with 30 U.S.C. 1721(b) and (d): Provided further, That not to exceed \$3,000 shall be available for reasonable expenses related to promoting volunteer beach and marine cleanup activities: Provided further, That notwithstanding any other provision of law, \$15,000 under this heading shall be available for refunds of overpayments in connection with certain Indian leases in which the Director of the Minerals Management Service concurred with the claimed refund due, to pay amounts owed to Indian allottees or Tribes, or to correct prior unrecoverable erroneous payments: Provided further, That not to exceed \$198,000 shall be available to carry out the requirements of section 215(b)(2) of the Water Resources Development Act of 1999.

#### OIL SPILL RESEARCH

For necessary expenses to carry out title I, section 1016, title IV, sections 4202 and 4303, title VII, and title VIII, section 8201 of the Oil Pollution Act of 1990, \$6,118,000, which shall be derived from the Oil Spill Liability Trust Fund, to remain available until expended.

#### OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

##### REGULATION AND TECHNOLOGY

For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, as amended, including the purchase of not to exceed 10 passenger motor vehicles, for replacement only; \$95,891,000: Provided, That the Secretary of the Interior, pursuant to regulations, may use directly or through grants to States, moneys collected in fiscal year 2000 for civil penalties assessed under section 518 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1268), to reclaim lands adversely affected by coal mining practices after August 3, 1977, to remain available until expended: Provided further, That appropriations for the Office of Surface Mining Reclamation and Enforcement may

provide for the travel and per diem expenses of State and tribal personnel attending Office of Surface Mining Reclamation and Enforcement sponsored training.

#### ABANDONED MINE RECLAMATION FUND

For necessary expenses to carry out title IV of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, as amended, including the purchase of not more than 10 passenger motor vehicles for replacement only, \$185,658,000, to be derived from receipts of the Abandoned Mine Reclamation Fund and to remain available until expended; of which up to \$7,000,000, to be derived from the Federal Expenses Share of the Fund, shall be for supplemental grants to States for the reclamation of abandoned sites with acid mine rock drainage from coal mines, and for associated activities, through the Appalachian Clean Streams Initiative: Provided, That grants to minimum program States will be \$1,500,000 per State in fiscal year 2000: Provided further, That of the funds herein provided up to \$18,000,000 may be used for the emergency program authorized by section 410 of Public Law 95-87, as amended, of which no more than 25 percent shall be used for emergency reclamation projects in any one State and funds for federally administered emergency reclamation projects under this proviso shall not exceed \$11,000,000: Provided further, That prior year unobligated funds appropriated for the emergency reclamation program shall not be subject to the 25 percent limitation per State and may be used without fiscal year limitation for emergency projects: Provided further, That pursuant to Public Law 97-365, the Department of the Interior is authorized to use up to 20 percent from the recovery of the delinquent debt owed to the United States Government to pay for contracts to collect these debts: Provided further, That funds made available under title IV of Public Law 95-87 may be used for any required non-Federal share of the cost of projects funded by the Federal Government for the purpose of environmental restoration related to treatment or abatement of acid mine drainage from abandoned mines: Provided further, That such projects must be consistent with the purposes and priorities of the Surface Mining Control and Reclamation Act: Provided further, That the State of Maryland may set aside the greater of \$1,000,000 or 10 percent of the total of the grants made available to the State under title IV of the Surface Mining Control and Reclamation Act of 1977, as amended (30 U.S.C. 1231 et seq.), if the amount set aside is deposited in an acid mine drainage abatement and treatment fund established under a State law, pursuant to which law the amount (together with all interest earned on the amount) is expended by the State to undertake acid mine drainage abatement and treatment projects, except that before any amounts greater than 10 percent of its title IV grants are deposited in an acid mine drainage abatement and treatment fund, the State of Maryland must first complete all Surface Mining Control and Reclamation Act priority one projects.

#### BUREAU OF INDIAN AFFAIRS OPERATION OF INDIAN PROGRAMS

For expenses necessary for the operation of Indian programs, as authorized by law, including the Snyder Act of November 2, 1921 (25 U.S.C. 13), the Indian Self-Determination and Education Assistance Act of 1975 (25 U.S.C. 450 et seq.), as amended, the Education Amendments of 1978 (25 U.S.C. 2001-2019), and the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2501 et seq.), as amended, \$1,633,296,000, to remain available until September 30, 2001 except as otherwise provided herein, of which not to exceed \$93,684,000 shall be for welfare assistance payments and notwithstanding any other provision of law, including but not limited to the Indian Self-Determination Act of 1975, as amended, not to exceed \$115,229,000 shall be available for payments to tribes and tribal orga-

nizations for contract support costs associated with ongoing contracts, grants, compacts, or annual funding agreements entered into with the Bureau prior to or during fiscal year 2000, as authorized by such Act, except that tribes and tribal organizations may use their tribal priority allocations for unmet indirect costs of ongoing contracts, grants, or compacts, or annual funding agreements and for unmet welfare assistance costs; and of which not to exceed \$402,010,000 for school operations costs of Bureau-funded schools and other education programs shall become available on July 1, 2000, and shall remain available until September 30, 2001; and of which not to exceed \$51,991,000 shall remain available until expended for housing improvement, road maintenance, attorney fees, litigation support, self-governance grants, the Indian Self-Determination Fund, land records improvement, and the Navajo-Hopi Settlement Program: Provided, That notwithstanding any other provision of law, including but not limited to the Indian Self-Determination Act of 1975, as amended, and 25 U.S.C. 2008, not to exceed \$44,160,000 within and only from such amounts made available for school operations shall be available to tribes and tribal organizations for administrative cost grants associated with the operation of Bureau-funded schools: Provided further, That any forestry funds allocated to a tribe which remain unobligated as of September 30, 2001, may be transferred during fiscal year 2002 to an Indian forest land assistance account established for the benefit of such tribe within the tribe's trust fund account: Provided further, That any such unobligated balances not so transferred shall expire on September 30, 2002: Provided further, That from amounts appropriated under this heading \$5,422,000 shall be made available to the Southwestern Indian Polytechnic Institute and that from amounts appropriated under this heading \$8,611,000 shall be made available to Haskell Indian Nations University.

#### CONSTRUCTION

For construction, repair, improvement, and maintenance of irrigation and power systems, buildings, utilities, and other facilities, including architectural and engineering services by contract; acquisition of lands, and interests in lands; and preparation of lands for farming, and for construction of the Navajo Indian Irrigation Project pursuant to Public Law 87-483, \$146,884,000, to remain available until expended: Provided, That such amounts as may be available for the construction of the Navajo Indian Irrigation Project may be transferred to the Bureau of Reclamation: Provided further, That not to exceed 6 percent of contract authority available to the Bureau of Indian Affairs from the Federal Highway Trust Fund may be used to cover the road program management costs of the Bureau: Provided further, That any funds provided for the Safety of Dams program pursuant to 25 U.S.C. 13 shall be made available on a nonreimbursable basis: Provided further, That for fiscal year 2000, in implementing new construction or facilities improvement and repair project grants in excess of \$100,000 that are provided to tribally controlled grant schools under Public Law 100-297, as amended, the Secretary of the Interior shall use the Administrative and Audit Requirements and Cost Principles for Assistance Programs contained in 43 CFR part 12 as the regulatory requirements: Provided further, That such grants shall not be subject to section 12.61 of 43 CFR; the Secretary and the grantee shall negotiate and determine a schedule of payments for the work to be performed: Provided further, That in considering applications, the Secretary shall consider whether the Indian tribe or tribal organization would be deficient in assuring that the construction projects conform to applicable building standards and codes and Federal, tribal, or State health and safety standards as required by 25 U.S.C.



2005(a), with respect to organizational and financial management capabilities: Provided further, That if the Secretary declines an application, the Secretary shall follow the requirements contained in 25 U.S.C. 2505(f): Provided further, That any disputes between the Secretary and any grantee concerning a grant shall be subject to the disputes provision in 25 U.S.C. 2508(e): Provided further, That notwithstanding any other provision of law, collections from the settlements between the United States and the Puyallup tribe concerning Chief Leschi school are made available for school construction in fiscal year 2000 and hereafter: Provided further, That in return for a quit claim deed to a school building on the Lac Courte Oreilles Ojibwe Indian Reservation, the Secretary shall pay to U.K. Development, LLC the amount of \$375,000 from the funds made available under this heading.

#### INDIAN LAND AND WATER CLAIM SETTLEMENTS AND MISCELLANEOUS PAYMENTS TO INDIANS

For miscellaneous payments to Indian tribes and individuals and for necessary administrative expenses, \$27,131,000, to remain available until expended; of which \$25,260,000 shall be available for implementation of enacted Indian land and water claim settlements pursuant to Public Laws 101-618 and 102-575, and for implementation of other enacted water rights settlements; and of which \$1,871,000 shall be available pursuant to Public Laws 99-264, 100-383, 103-402 and 100-580.

#### INDIAN GUARANTEED LOAN PROGRAM ACCOUNT

For the cost of guaranteed loans, \$4,500,000, as authorized by the Indian Financing Act of 1974, as amended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$59,682,000.

In addition, for administrative expenses to carry out the guaranteed loan programs, \$504,000.

#### ADMINISTRATIVE PROVISIONS

The Bureau of Indian Affairs may carry out the operation of Indian programs by direct expenditure, contracts, cooperative agreements, compacts and grants, either directly or in cooperation with States and other organizations.

Appropriations for the Bureau of Indian Affairs (except the revolving fund for loans, the Indian loan guarantee and insurance fund, and the Indian Guaranteed Loan Program account) shall be available for expenses of exhibits, and purchase of not to exceed 229 passenger motor vehicles, of which not to exceed 187 shall be for replacement only.

Notwithstanding any other provision of law, no funds available to the Bureau of Indian Affairs for central office operations or pooled overhead general administration (except facilities operations and maintenance) shall be available for tribal contracts, grants, compacts, or cooperative agreements with the Bureau of Indian Affairs under the provisions of the Indian Self-Determination Act or the Tribal Self-Governance Act of 1994 (Public Law 103-413).

In the event any tribe returns appropriations made available by this Act to the Bureau of Indian Affairs for distribution to other tribes, this action shall not diminish the Federal government's trust responsibility to that tribe, or the government-to-government relationship between the United States and that tribe, or that tribe's ability to access future appropriations.

Notwithstanding any other provision of law, no funds available to the Bureau, other than the amounts provided herein for assistance to public schools under 25 U.S.C. 452 et seq., shall be available to support the operation of any elementary or secondary school in the State of Alaska.

Appropriations made available in this or any other Act for schools funded by the Bureau

shall be available only to the schools in the Bureau school system as of September 1, 1996. No funds available to the Bureau shall be used to support expanded grades for any school or dormitory beyond the grade structure in place or approved by the Secretary of the Interior at each school in the Bureau school system as of October 1, 1995. Funds made available under this Act may be used to fund a Bureau-funded school (as that term is defined in section 1146 of the Education Amendments of 1978 (25 U.S.C. 2026)) that shares a campus with a school that offers expanded grades and that is not a Bureau-funded school, if the jointly incurred costs of both schools are apportioned between the 2 programs of the schools in such manner as to ensure that the expanded grades are funded solely from funds that are not made available through the Bureau.

The Tate Topa Tribal School, the Black Mesa Community School, the Alamo Navajo School, and other BIA-funded schools, subject to the approval of the Secretary of the Interior, may use prior year school operations funds for the replacement or repair of BIA education facilities which are in compliance with 25 U.S.C. 2005(a) and which shall be eligible for operation and maintenance support to the same extent as other BIA education facilities: Provided, That any additional construction costs for replacement or repair of such facilities begun with prior year funds shall be completed exclusively with non-Federal funds.

#### DEPARTMENT OFFICES

##### INSULAR AFFAIRS

##### ASSISTANCE TO TERRITORIES

For expenses necessary for assistance to territories under the jurisdiction of the Department of the Interior, \$67,325,000, of which: (1) \$63,076,000 shall be available until expended for technical assistance, including maintenance assistance, disaster assistance, insular management controls, coral reef initiative activities, and brown tree snake control and research; grants to the judiciary in American Samoa for compensation and expenses, as authorized by law (48 U.S.C. 1661(c)); grants to the Government of American Samoa, in addition to current local revenues, for construction and support of governmental functions; grants to the Government of the Virgin Islands as authorized by law; grants to the Government of Guam, as authorized by law; and grants to the Government of the Northern Mariana Islands as authorized by law (Public Law 94-241; 90 Stat. 272); and (2) \$4,249,000 shall be available for salaries and expenses of the Office of Insular Affairs: Provided, That all financial transactions of the territorial and local governments herein provided for, including such transactions of all agencies or instrumentalities established or used by such governments, may be audited by the General Accounting Office, at its discretion, in accordance with chapter 35 of title 31, United States Code: Provided further, That Northern Mariana Islands Covenant grant funding shall be provided according to those terms of the Agreement of the Special Representatives on Future United States Financial Assistance for the Northern Mariana Islands approved by Public Law 104-134: Provided further, That Public Law 94-241, as amended, is further amended (1) in section 4(b) by deleting "2002" and inserting "1999" and by deleting the comma after the words "\$11,000,000 annually" and inserting in lieu thereof the following: "and for fiscal year 2000, payments to the Commonwealth of the Northern Mariana Islands shall be \$5,580,000, but shall return to the level of \$11,000,000 annually for fiscal years 2001 and 2002. In fiscal year 2003, the payment to the Commonwealth of the Northern Mariana Islands shall be \$5,420,000. Such payments shall be"; and (2) in section (4)(c) by adding a new subsection as follows: "(4) for fiscal year 2000, \$5,420,000 shall be provided to the Virgin Islands for correctional facilities and other projects mandated by Federal law.": Provided further,

That of the amounts provided for technical assistance, sufficient funding shall be made available for a grant to the Close Up Foundation: Provided further, That the funds for the program of operations and maintenance improvement are appropriated to institutionalize routine operations and maintenance improvement of capital infrastructure in American Samoa, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia through assessments of long-range operations maintenance needs, improved capability of local operations and maintenance institutions and agencies (including management and vocational education training), and project-specific maintenance (with territorial participation and cost sharing to be determined by the Secretary based on the individual territory's commitment to timely maintenance of its capital assets): Provided further, That any appropriation for disaster assistance under this heading in this Act or previous appropriations Acts may be used as non-Federal matching funds for the purpose of hazard mitigation grants provided pursuant to section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c).

#### COMPACT OF FREE ASSOCIATION

For economic assistance and necessary expenses for the Federated States of Micronesia and the Republic of the Marshall Islands as provided for in sections 122, 221, 223, 232, and 233 of the Compact of Free Association, and for economic assistance and necessary expenses for the Republic of Palau as provided for in sections 122, 221, 223, 232, and 233 of the Compact of Free Association, \$20,545,000, to remain available until expended, as authorized by Public Law 99-239 and Public Law 99-658.

#### DEPARTMENTAL MANAGEMENT

##### SALARIES AND EXPENSES

For necessary expenses for management of the Department of the Interior, \$62,203,000, of which not to exceed \$8,500 may be for official reception and representation expenses and up to \$1,000,000 shall be available for workers compensation payments and unemployment compensation payments associated with the orderly closure of the United States Bureau of Mines.

##### OFFICE OF THE SOLICITOR

##### SALARIES AND EXPENSES

For necessary expenses of the Office of the Solicitor, \$36,784,000.

##### OFFICE OF INSPECTOR GENERAL

##### SALARIES AND EXPENSES

##### OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General, \$26,614,000.

#### OFFICE OF SPECIAL TRUSTEE FOR AMERICAN INDIANS

##### FEDERAL TRUST PROGRAMS

For operation of trust programs for Indians by direct expenditure, contracts, cooperative agreements, compacts, and grants, \$73,836,000, to remain available until expended: Provided, That funds for trust management improvements may be transferred to the Bureau of Indian Affairs and Departmental Management: Provided further, That funds made available to Tribes and Tribal organizations through contracts or grants obligated during fiscal year 2000, as authorized by the Indian Self-Determination Act of 1975 (25 U.S.C. 450 et seq.), shall remain available until expended by the contractor or grantee: Provided further, That notwithstanding any other provision of law, the statute of limitations shall not commence to run on any claim, including any claim in litigation pending on the date of the enactment of this Act, concerning losses to or mismanagement of trust funds, until the affected tribe or individual Indian has been furnished with an accounting of such funds from which the beneficiary can determine whether there has been a loss: Provided

further, That notwithstanding any other provision of law, the Secretary shall not be required to provide a quarterly statement of performance for any Indian trust account that has not had activity for at least eighteen months and has a balance of \$1.00 or less: Provided further, That the Secretary shall issue an annual account statement and maintain a record of any such accounts and shall permit the balance in each such account to be withdrawn upon the express written request of the account holder.

#### INDIAN LAND CONSOLIDATION PILOT

For implementation of a pilot program for consolidation of fractional interests in Indian lands by direct expenditure or cooperative agreement, \$5,000,000 to remain available until expended, of which not to exceed \$500,000 shall be available for administrative expenses: Provided, That the Secretary may enter into a cooperative agreement, which shall not be subject to Public Law 93-638, as amended, with a tribe having jurisdiction over the pilot reservation to implement the program to acquire fractional interests on behalf of such tribe: Provided further, That the Secretary may develop a reservation-wide system for establishing the fair market value of various types of lands and improvements to govern the amounts offered for acquisition of fractional interests: Provided further, That acquisitions shall be limited to one or more pilot reservations as determined by the Secretary: Provided further, That funds shall be available for acquisition of fractional interests in trust or restricted lands with the consent of its owners and at fair market value, and the Secretary shall hold in trust for such tribe all interests acquired pursuant to this pilot program: Provided further, That all proceeds from any lease, resource sale contract, right-of-way or other transaction derived from the fractional interest shall be credited to this appropriation, and remain available until expended, until the purchase price paid by the Secretary under this appropriation has been recovered from such proceeds: Provided further, That once the purchase price has been recovered, all subsequent proceeds shall be managed by the Secretary for the benefit of the applicable tribe or paid directly to the tribe.

#### NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION

##### NATURAL RESOURCE DAMAGE ASSESSMENT FUND

To conduct natural resource damage assessment activities by the Department of the Interior necessary to carry out the provisions of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. 9601 et seq.), Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.), the Oil Pollution Act of 1990 (Public Law 101-380), and Public Law 101-337; \$4,621,000, to remain available until expended.

#### ADMINISTRATIVE PROVISIONS

There is hereby authorized for acquisition from available resources within the Working Capital Fund, 15 aircraft, 10 of which shall be for replacement and which may be obtained by donation, purchase or through available excess surplus property: Provided, That notwithstanding any other provision of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft: Provided further, That no programs funded with appropriated funds in the "Departmental Management", "Office of the Solicitor", and "Office of Inspector General" may be augmented through the Working Capital Fund or the Consolidated Working Fund.

#### GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

SEC. 101. Appropriations made in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of aircraft,

buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: Provided, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted: Provided further, That all funds used pursuant to this section are hereby designated by Congress to be "emergency requirements" pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, and must be replenished by a supplemental appropriation which must be requested as promptly as possible.

SEC. 102. The Secretary may authorize the expenditure or transfer of any no year appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under the jurisdiction of the Department of the Interior; for the emergency rehabilitation of burned-over lands under its jurisdiction; for emergency actions related to potential or actual earthquakes, floods, volcanoes, storms, or other unavoidable causes; for contingency planning subsequent to actual oil spills; for response and natural resource damage assessment activities related to actual oil spills; for the prevention, suppression, and control of actual or potential grasshopper and Mormon cricket outbreaks on lands under the jurisdiction of the Secretary, pursuant to the authority in section 1773(b) of Public Law 99-198 (99 Stat. 1658); for emergency reclamation projects under section 410 of Public Law 95-87; and shall transfer, from any no year funds available to the Office of Surface Mining Reclamation and Enforcement, such funds as may be necessary to permit assumption of regulatory authority in the event a primacy State is not carrying out the regulatory provisions of the Surface Mining Act: Provided, That appropriations made in this title for fire suppression purposes shall be available for the payment of obligations incurred during the preceding fiscal year, and for reimbursement to other Federal agencies for destruction of vehicles, aircraft, or other equipment in connection with their use for fire suppression purposes, such reimbursement to be credited to appropriations currently available at the time of receipt thereof: Provided further, That for emergency rehabilitation and wildfire suppression activities, no funds shall be made available under this authority until funds appropriated to "Wildland Fire Management" shall have been exhausted: Provided further, That all funds used pursuant to this section are hereby designated by Congress to be "emergency requirements" pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, and must be replenished by a supplemental appropriation which must be requested as promptly as possible: Provided further, That such replenishment funds shall be used to reimburse, on a pro rata basis, accounts from which emergency funds were transferred.

SEC. 103. Appropriations made in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by sections 1535 and 1536 of title 31, United States Code: Provided, That reimbursements for costs and supplies, materials, equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

SEC. 104. Appropriations made to the Department of the Interior in this title shall be available for services as authorized by 5 U.S.C. 3109, when authorized by the Secretary, in total amount not to exceed \$500,000; hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchase of reprints; payment for telephone service in private residences

in the field, when authorized under regulations approved by the Secretary; and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members.

SEC. 105. Appropriations available to the Department of the Interior for salaries and expenses shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902 and D.C. Code 4-204).

SEC. 106. Appropriations made in this title shall be available for obligation in connection with contracts issued for services or rentals for periods not in excess of twelve months beginning at any time during the fiscal year.

SEC. 107. No funds provided in this title may be expended by the Department of the Interior for the conduct of offshore leasing and related activities placed under restriction in the President's moratorium statement of June 26, 1990, in the areas of northern, central, and southern California; the North Atlantic; Washington and Oregon; and the eastern Gulf of Mexico south of 26 degrees north latitude and east of 86 degrees west longitude.

SEC. 108. No funds provided in this title may be expended by the Department of the Interior for the conduct of offshore oil and natural gas preleasing, leasing, and related activities, on lands within the North Aleutian Basin planning area.

SEC. 109. No funds provided in this title may be expended by the Department of the Interior to conduct offshore oil and natural gas preleasing, leasing and related activities in the eastern Gulf of Mexico planning area for any lands located outside Sale 181, as identified in the final Outer Continental Shelf 5-Year Oil and Gas Leasing Program, 1997-2002.

SEC. 110. No funds provided in this title may be expended by the Department of the Interior to conduct oil and natural gas preleasing, leasing and related activities in the Mid-Atlantic and South Atlantic planning areas.

SEC. 111. Advance payments made under this title to Indian tribes, tribal organizations, and tribal consortia pursuant to the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) or the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2501 et seq.) may be invested by the Indian tribe, tribal organization, or consortium before such funds are expended for the purposes of the grant, compact, or annual funding agreement so long as such funds are—

(1) invested by the Indian tribe, tribal organization, or consortium only in obligations of the United States, or in obligations or securities that are guaranteed or insured by the United States, or mutual (or other) funds registered with the Securities and Exchange Commission and which only invest in obligations of the United States or securities that are guaranteed or insured by the United States; or

(2) deposited only into accounts that are insured by an agency or instrumentality of the United States, or are fully collateralized to ensure protection of the funds, even in the event of a bank failure.

SEC. 112. (a) Employees of Helium Operations, Bureau of Land Management, entitled to severance pay under 5 U.S.C. 5595, may apply for, and the Secretary of the Interior may pay, the total amount of the severance pay to the employee in a lump sum. Employees paid severance pay in a lump sum and subsequently reemployed by the Federal Government shall be subject to the repayment provisions of 5 U.S.C. 5595(i)(2) and (3), except that any repayment shall be made to the Helium Fund.

(b) Helium Operations employees who elect to continue health benefits after separation shall be liable for not more than the required employee contribution under 5 U.S.C. 8905a(d)(1)(A). The Helium Fund shall pay for 18 months the remaining portion of required contributions.

(c) The Secretary of the Interior may provide for training to assist Helium Operations employees in the transition to other Federal or private sector jobs during the facility shut-down and disposition process and for up to 12 months following separation from Federal employment, including retraining and relocation incentives on the same terms and conditions as authorized for employees of the Department of Defense in section 348 of the National Defense Authorization Act for Fiscal Year 1995.

(d) For purposes of the annual leave restoration provisions of 5 U.S.C. 6304(d)(1)(B), the cessation of helium production and sales, and other related Helium Program activities shall be deemed to create an exigency of public business under, and annual leave that is lost during leave years 1997 through 2001 because of 5 U.S.C. 6304 (regardless of whether such leave was scheduled in advance) shall be restored to the employee and shall be credited and available in accordance with 5 U.S.C. 6304(d)(2). Annual leave so restored and remaining unused upon the transfer of a Helium Program employee to a position of the executive branch outside of the Helium Program shall be liquidated by payment to the employee of a lump sum from the Helium Fund for such leave.

(e) Benefits under this section shall be paid from the Helium Fund in accordance with section 4(c)(4) of the Helium Privatization Act of 1996. Funds may be made available to Helium Program employees who are or will be separated before October 1, 2002 because of the cessation of helium production and sales and other related activities. Retraining benefits, including retraining and relocation incentives, may be paid for retraining commencing on or before September 30, 2002.

(f) This section shall remain in effect through fiscal year 2002.

SEC. 113. Notwithstanding any other provision of law, including but not limited to the Indian Self-Determination Act of 1975, as amended, funds available herein and hereafter under this title for Indian self-determination or self-governance contract or grant support costs may be expended only for costs directly attributable to contracts, grants and compacts pursuant to the Indian Self-Determination Act and no funds appropriated in this title shall be available for any contract support costs or indirect costs associated with any contract, grant, cooperative agreement, self-governance compact or funding agreement entered into between an Indian tribe or tribal organization and any entity other than an agency of the Department of the Interior.

SEC. 114. Notwithstanding any other provisions of law, the National Park Service shall not develop or implement a reduced entrance fee program to accommodate non-local travel through a unit. The Secretary may provide for and regulate local non-recreational passage through units of the National Park System, allowing each unit to develop guidelines and permits for such activity appropriate to that unit.

SEC. 115. Notwithstanding any other provision of law, in fiscal year 2000 and thereafter, the Secretary is authorized to permit persons, firms or organizations engaged in commercial, cultural, educational, or recreational activities (as defined in section 612a of title 40, United States Code) not currently occupying such space to use courtyards, auditoriums, meeting rooms, and other space of the main and south Interior building complex, Washington, D.C., the maintenance, operation, and protection of which has been delegated to the Secretary from the Administrator of General Services pursuant to the Federal Property and Administrative Services Act of 1949, and to assess reasonable charges therefore, subject to such procedures as the Secretary deems appropriate for such uses. Charges may be for the space, utilities, maintenance, repair, and other services. Charges for such space and services may be at rates equivalent to the prevailing commercial rate for comparable space and services devoted to a similar purpose in the

vicinity of the main and south Interior building complex, Washington, D.C. for which charges are being assessed. The Secretary may without further appropriation hold, administer, and use such proceeds within the Departmental Management Working Capital Fund to offset the operation of the buildings under his jurisdiction, whether delegated or otherwise, and for related purposes, until expended.

SEC. 116. (a) In this section—

(1) the term “Huron Cemetery” means the lands that form the cemetery that is popularly known as the Huron Cemetery, located in Kansas City, Kansas, as described in subsection (b)(3); and

(2) the term “Secretary” means the Secretary of the Interior.

(b)(1) The Secretary shall take such action as may be necessary to ensure that the lands comprising the Huron Cemetery (as described in paragraph (3)) are used only in accordance with this subsection.

(2) The lands of the Huron Cemetery shall be used only—

(A) for religious and cultural uses that are compatible with the use of the lands as a cemetery; and

(B) as a burial ground.

(3) The description of the lands of the Huron Cemetery is as follows:

The tract of land in the NW quarter of sec. 10, T. 11 S., R. 25 E., of the sixth principal meridian, in Wyandotte County, Kansas (as surveyed and marked on the ground on August 15, 1888, by William Millor, Civil Engineer and Surveyor), described as follows:

“Commencing on the Northwest corner of the Northwest Quarter of the Northwest Quarter of said Section 10;

“Thence South 28 poles to the ‘true point of beginning’;

“Thence South 71 degrees East 10 poles and 18 links;

“Thence South 18 degrees and 30 minutes West 28 poles;

“Thence West 11 and one-half poles;

“Thence North 19 degrees 15 minutes East 31 poles and 15 feet to the ‘true point of beginning’, containing 2 acres or more.”

SEC. 117. Grazing permits and leases which expire or are transferred, in this or any fiscal year, shall be renewed under the same terms and conditions as contained in the expiring permit or lease until such time as the Secretary of the Interior completes the process of renewing the permits or leases in compliance with all applicable laws. Nothing in this language shall be deemed to affect the Secretary's statutory authority or the rights of the permittee or lessee.

SEC. 118. Refunds or rebates received on an on-going basis from a credit card services provider under the Department of the Interior's charge card programs may be deposited to and retained without fiscal year limitation in the Departmental Working Capital Fund established under 43 U.S.C. 1467 and used to fund management initiatives of general benefit to the Department of the Interior's bureaus and offices as determined by the Secretary or his designee.

SEC. 119. Appropriations made in this title under the headings Bureau of Indian Affairs and Office of Special Trustee for American Indians and any available unobligated balances from prior appropriations Acts made under the same headings, shall be available for expenditure or transfer for Indian trust management activities pursuant to the Trust Management Improvement Project High Level Implementation Plan.

SEC. 120. All properties administered by the National Park Service at Fort Baker, Golden Gate National Recreation Area, and leases, concessions, permits and other agreements associated with those properties, shall be exempt from all taxes and special assessments, except sales tax, by the State of California and its political subdivisions, including the County of Marin and the City of Sausalito. Such areas of Fort

Baker shall remain under exclusive federal jurisdiction.

SEC. 121. Notwithstanding any provision of law, the Secretary of the Interior is authorized to negotiate and enter into agreements and leases, without regard to section 321 of chapter 314 of the Act of June 30, 1932 (40 U.S.C. 303b), with any person, firm, association, organization, corporation, or governmental entity for all or part of the property within Fort Baker administered by the Secretary as part of Golden Gate National Recreation Area. The proceeds of the agreements or leases shall be retained by the Secretary and such proceeds shall be available, without future appropriation, for the preservation, restoration, operation, maintenance and interpretation and related expenses incurred with respect to Fort Baker properties.

SEC. 122. None of the funds provided in this or any other Act may be used for pre-design, design or engineering for the removal of the Elwha or Glines Canyon Dams, or for the actual removal of either dam, until such time as both dams are acquired by the Federal government notwithstanding the proviso in section 3(a) of Public Law 102-495, as amended.

SEC. 123. (a) SHORT TITLE.—This section may be cited as the “Battle of Midway National Memorial Study Act”.

(b) FINDINGS.—The Congress makes the following findings:

(1) September 2, 1997, marked the 52nd anniversary of the United States victory over Japan in World War II.

(2) The Battle of Midway proved to be the turning point in the war in the Pacific, as United States Navy forces inflicted such severe losses on the Imperial Japanese Navy during the battle that the Imperial Japanese Navy never again took the offensive against the United States or the allied forces.

(3) During the Battle of Midway on June 4, 1942, an outnumbered force of the United States Navy, consisting of 29 ships and other units of the Armed Forces under the command of Admiral Nimitz and Admiral Spruance, out-manuevered and out-fought 350 ships of the Imperial Japanese Navy.

(4) It is in the public interest to study whether Midway Atoll should be established as a national memorial to the Battle of Midway to express the enduring gratitude of the American people for victory in the battle and to inspire future generations of Americans with the heroism and sacrifice of the members of the Armed Forces who achieved that victory.

(5) The historic structures and facilities on Midway Atoll should be protected and maintained.

(c) PURPOSE.—The purpose of this Act is to require a study of the feasibility and suitability of designating the Midway Atoll as a National Memorial to the Battle of Midway within the boundaries of the Midway Atoll National Wildlife Refuge. The study of the Midway Atoll and its environs shall include, but not be limited to, identification of interpretative opportunities for the educational and inspirational benefit of present and future generations, and of the unique and significant circumstances involving the defense of the island by the United States in World War II and the Battle of Midway.

(d) STUDY OF THE ESTABLISHMENT OF MIDWAY ATOLL AS A NATIONAL MEMORIAL TO THE BATTLE OF MIDWAY.—

(1) IN GENERAL.—Not later than six months after the date of enactment of this Act, the Secretary of the Interior shall, acting through the Director of the National Park Service and in consultation with the Director of the United States Fish and Wildlife Service, the International Midway Memorial Foundation, Inc. (hereafter referred to as the “Foundation”), and Midway Phoenix Corporation, carry out a study of the suitability and feasibility of establishing Midway Atoll as a national memorial to the Battle of Midway.

(2) **CONSIDERATIONS.**—In studying the establishment of Midway Atoll as a national memorial to the Battle of Midway under paragraph (1), the Secretary shall address the following:

(A) The appropriate federal agency to manage such a memorial, and whether and under what conditions, to lease or otherwise allow the Foundation or another appropriate entity to administer, maintain, and fully utilize the lands (including any equipment, facilities, infrastructure, and other improvements) and waters of Midway Atoll if designated as a national memorial.

(B) Whether designation as a national memorial would conflict with current management of Midway Atoll as a wildlife refuge and whether, and under what circumstances, the needs and requirements of the wildlife refuge should take precedence over the needs and requirements of a national memorial on Midway Atoll.

(C) Whether, and under what conditions, to permit the use of the facilities on Sand Island for purposes other than a wildlife refuge or a national memorial.

(D) Whether to impose conditions on public access to Midway Atoll as a national memorial.

(3) **REPORT.**—Upon completion of the study required under paragraph (1), the Secretary shall submit, to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the House of Representatives, a report on the study, which shall include any recommendations for further legislative action. The report shall also include an inventory of all known past and present facilities and structures of historical significance on Midway Atoll and its environs. The report shall include a description of each historic facility and structure and a discussion of how each will contribute to the designation and interpretation of the proposed national memorial.

(e) **CONTINUING DISCUSSIONS.**—Nothing in this Act shall be construed to delay or prohibit discussions between the Foundation and the United States Fish and Wildlife Service or any other government entity regarding the future role of the Foundation on Midway Atoll.

**SEC. 124.** Where any Federal lands included within the boundary of Lake Roosevelt National Recreation Area as designated by the Secretary of the Interior on April 5, 1990 (Lake Roosevelt Cooperative Management Agreement) were utilized as of March 31, 1997, for grazing purposes pursuant to a permit issued by the National Park Service, the person or persons so utilizing such lands shall be entitled to renew said permit under such terms and conditions as the Secretary may prescribe, for the lifetime of the permittee or 20 years, whichever is less.

**SEC. 125.** Notwithstanding any other provision of law, the Secretary of the Interior is authorized to redistribute any Tribal Priority Allocation funds, including tribal base funds, to alleviate tribal funding inequities by transferring funds on the basis of identified, unmet needs. No tribe shall receive a reduction in Tribal Priority Allocation funds of more than ten percent in fiscal year 2000.

**SEC. 126.** None of the Funds provided in this Act shall be available to the Bureau of Indian Affairs or the Department of the Interior to transfer land into trust status for the Shoalwater Bay Indian Tribe in Clark County, Washington, unless and until the tribe and the county reach a legally enforceable agreement that addresses the financial impact of new development on the county, school district, fire district, and other local governments and the impact on zoning and development.

**SEC. 127.** None of the funds provided in this Act shall be available to the Department of the Interior or agencies of the Department of the Interior to implement Secretarial Order 3206, issued June 5, 1997.

**SEC. 128.** Of the funds appropriated in title V of the Fiscal Year 1998 Interior and Related Agencies Appropriation Act, Public Law 105-83, the Secretary shall provide up to \$2,000,000 in

the form of a grant to the Fairbanks North Star Borough for acquisition of undeveloped parcels along the banks of the Chena River for the purpose of establishing an urban greenbelt within the Borough. The Secretary shall further provide from the funds appropriated in title V up to \$1,000,000 in the form of a grant to the Municipality of Anchorage for the acquisition of approximately 34 acres of wetlands adjacent to a municipal park in Anchorage (the Jewel Lake Wetlands).

**SEC. 129. WALKER RIVER BASIN.** \$200,000 is appropriated to the United States Fish and Wildlife Service in fiscal year 2000 to be used through a contract or memorandum of understanding with the Bureau of Reclamation, for: (1) the investigation of alternatives, and if appropriate, the implementation of one or more of the alternatives, to the modification of Weber Dam on the Walker River Paiute Reservation in Nevada; (2) an evaluation of the feasibility and effectiveness of the installation of a fish ladder at Weber Dam; and (3) an evaluation of opportunities for Lahontan cutthroat trout restoration in the Walker River Basin. \$125,000 is appropriated to the Bureau of Indian Affairs in fiscal year 2000 for the benefit of the Walker River Paiute Tribe, in recognition of the negative effects on the Tribe associated with delay in modification of Weber Dam, for an analysis of the feasibility of establishing a Tribally-operated Lahontan cutthroat trout hatchery on the Walker River as it flows through the Walker River Indian Reservation: Provided, That for the purposes of this section: (A) \$100,000 shall be transferred from the \$250,000 allocated for the United States Geological Survey, Water Resources Investigations, Truckee River Water Quality Settlement Agreement; (B) \$50,000 shall be transferred from the \$150,000 allocated for the United States Geological Survey, Water Resources Investigations, Las Vegas Wash endocrine disruption study; and (C) \$175,000 shall be transferred from the funds allocated for the Bureau of Land Management, Wildland Fire Management.

**SEC. 130. FUNDING FOR THE OTTAWA NATIONAL WILDLIFE REFUGE AND CERTAIN PROJECTS IN THE STATE OF OHIO.** Notwithstanding any other provision of law, from the unobligated balances appropriated for a grant to the State of Ohio for the acquisition of the Howard Farm near Metzger Marsh, Ohio—

(1) \$500,000 shall be derived by transfer and made available for the acquisition of land in the Ottawa National Wildlife Refuge;

(2) \$302,000 shall be derived by transfer and made available for the Dayton Aviation Heritage Commission, Ohio; and

(3) \$198,000 shall be derived by transfer and made available for a grant to the State of Ohio for the preservation and restoration of the birthplace, boyhood home, and schoolhouse of Ulysses S. Grant.

**SEC. 131. PROHIBITION ON CLASS III GAMING PROCEDURES.** No funds made available under this Act may be expended to implement the final rule published on April 12, 1999, at 64 Fed. Reg. 17535.

**SEC. 132. CONVEYANCE TO NYE COUNTY, NEVADA.** (a) **DEFINITIONS.**—In this section:

(1) **COUNTY.**—The term “County” means Nye County, Nevada.

(2) **SECRETARY.**—The term “Secretary” means the Secretary of the Interior, acting through the Director of the Bureau of Land Management.

(b) **PARCELS CONVEYED FOR USE OF THE NEVADA SCIENCE AND TECHNOLOGY CENTER.**—

(1) **IN GENERAL.**—For no consideration and at no other cost to the County, the Secretary shall convey to the County, subject to valid existing rights, all right, title, and interest in and to the parcels of public land described in paragraph (2).

(2) **LAND DESCRIPTION.**—The parcels of public land referred to in paragraph (1) are the following:

(A) The portion of Sec. 13 north of United States Route 95, T. 15 S. R. 49 E, Mount Diablo Meridian, Nevada.

(B) In Sec. 18, T. 15 S., R. 50 E., Mount Diablo Meridian, Nevada:

(i) W  $\frac{1}{2}$  W  $\frac{1}{2}$  NW  $\frac{1}{4}$ .

(ii) The portion of the W  $\frac{1}{2}$  W  $\frac{1}{2}$  SW  $\frac{1}{4}$  north of United States Route 95.

(3) **USE.**—

(A) **IN GENERAL.**—The parcels described in paragraph (2) shall be used for the construction and operation of the Nevada Science and Technology Center as a nonprofit museum and exposition center, and related facilities and activities.

(B) **REVERSION.**—The conveyance of any parcel described in paragraph (2) shall be subject to reversion to the United States, at the discretion of Secretary, if the parcel is used for a purpose other than that specified in subparagraph (A).

(c) **PARCELS CONVEYED FOR OTHER USE FOR A COMMERCIAL PURPOSE.**—

(1) **RIGHT TO PURCHASE.**—For a period of 5 years beginning on the date of enactment of this Act, the County shall have the exclusive right to purchase the parcels of public land described in paragraph (2) for the fair market value of the parcels, as determined by the Secretary.

(2) **LAND DESCRIPTION.**—The parcels of public land referred to in paragraph (1) are the following parcels in Sec. 18, T. 15 S., R. 50 E., Mount Diablo Meridian, Nevada:

(A) E  $\frac{1}{2}$  NW  $\frac{1}{4}$ .

(B) E  $\frac{1}{2}$  W  $\frac{1}{2}$  NW  $\frac{1}{4}$ .

(C) The portion of the E  $\frac{1}{2}$  SW  $\frac{1}{4}$  north of United States Route 95.

(D) The portion of the E  $\frac{1}{2}$  W  $\frac{1}{2}$  SW  $\frac{1}{4}$  north of United States Route 95.

(E) The portion of the SE  $\frac{1}{4}$  north of United States Route 95.

(3) **USE OF PROCEEDS.**—Proceeds of a sale of a parcel described in paragraph (2)—

(A) shall be deposited in the special account established under section 4(e)(1)(C) of the Southern Nevada Public Land Management Act of 1998 (112 Stat. 2345); and

(B) shall be available for use by the Secretary—

(i) to reimburse costs incurred by the local offices of the Bureau of Land Management in arranging the land conveyances directed by this Act; and

(ii) as provided in section 4(e)(3) of that Act (112 Stat. 2346).

**SEC. 133. CONVEYANCE OF LAND TO CITY OF MESQUITE, NEVADA.** Section 3 of Public Law 99-548 (100 Stat. 3061; 110 Stat. 3009-202) is amended by adding at the end the following:

“(e) **FIFTH AREA.**—

“(1) **RIGHT TO PURCHASE.**—For a period of 12 years after the date of enactment of this Act, the city of Mesquite, Nevada, shall have the exclusive right to purchase the parcels of public land described in paragraph (2).

“(2) **LAND DESCRIPTION.**—The parcels of public land referred to in paragraph (1) are as follows:

“(A) In T. 13 S., R. 70 E., Mount Diablo Meridian, Nevada:

“(i) The portion of sec. 27 north of Interstate Route 15.

“(ii) Sec. 28: NE  $\frac{1}{4}$ , S  $\frac{1}{2}$  (except the Interstate Route 15 right-of-way).

“(iii) Sec. 29: E  $\frac{1}{2}$  NE  $\frac{1}{4}$  SE  $\frac{1}{4}$ , SE  $\frac{1}{4}$  SE  $\frac{1}{4}$ .

“(iv) The portion of sec. 30 south of Interstate Route 15.

“(v) The portion of sec. 31 south of Interstate Route 15.

“(vi) Sec. 32: NE  $\frac{1}{4}$  NE  $\frac{1}{4}$  (except the Interstate Route 15 right-of-way), the portion of NW  $\frac{1}{4}$  NE  $\frac{1}{4}$  south of Interstate Route 15, and the portion of W  $\frac{1}{2}$  south of Interstate Route 15.

“(vii) The portion of sec. 33 north of Interstate Route 15.

“(B) In T. 14 S., R. 70 E., Mount Diablo Meridian, Nevada:

“(i) Sec. 5: NW  $\frac{1}{4}$ .

“(ii) Sec. 6: N  $\frac{1}{2}$ .

“(C) In T. 13 S., R. 69 E., Mount Diablo Meridian, Nevada:

“(i) The portion of sec. 25 south of Interstate Route 15.

“(ii) The portion of sec. 26 south of Interstate Route 15.

“(iii) The portion of sec. 27 south of Interstate Route 15.

“(iv) Sec. 28: SW  $\frac{1}{4}$  SE  $\frac{1}{4}$ .

“(v) Sec. 33: E  $\frac{1}{2}$ .

“(vi) Sec. 34.

“(vii) Sec. 35.

“(viii) Sec. 36.

“(3) NOTIFICATION.—Not later than 10 years after the date of enactment of this subsection, the city shall notify the Secretary which of the parcels of public land described in paragraph (2) the city intends to purchase.

“(4) CONVEYANCE.—Not later than 1 year after receiving notification from the city under paragraph (3), the Secretary shall convey to the city the land selected for purchase.

“(5) WITHDRAWAL.—Subject to valid existing rights, until the date that is 12 years after the date of enactment of this subsection, the parcels of public land described in paragraph (2) are withdrawn from all forms of entry and appropriation under the public land laws, including the mining laws, and from operation of the mineral leasing and geothermal leasing laws.

“(6) USE OF PROCEEDS.—The proceeds of the sale of each parcel—

“(A) shall be deposited in the special account established under section 4(e)(1)(C) of the Southern Nevada Public Land Management Act of 1998 (112 Stat. 2345); and

“(B) shall be available for use by the Secretary—

“(i) to reimburse costs incurred by the local offices of the Bureau of Land Management in arranging the land conveyances directed by this Act; and

“(ii) as provided in section 4(e)(3) of that Act (112 Stat. 2346).

“(f) SIXTH AREA.—

“(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Secretary shall convey to the city of Mesquite, Nevada, in accordance with section 47125 of title 49, United States Code, up to 2,560 acres of public land to be selected by the city from among the parcels of land described in paragraph (2).

“(2) LAND DESCRIPTION.—The parcels of land referred to in paragraph (1) are as follows:

“(A) In T. 13 S., R. 69 E., Mount Diablo Meridian, Nevada:

“(i) The portion of sec. 28 south of Interstate Route 15 (except S  $\frac{1}{2}$  SE  $\frac{1}{4}$ ).

“(ii) The portion of sec. 29 south of Interstate Route 15.

“(iii) The portion of sec. 30 south of Interstate Route 15.

“(iv) The portion of sec. 31 south of Interstate Route 15.

“(v) Sec. 32.

“(vi) Sec. 33: W  $\frac{1}{2}$ .

“(B) In T. 14 S., R. 69 E., Mount Diablo Meridian, Nevada:

“(i) Sec. 4.

“(ii) Sec. 5.

“(iii) Sec. 6.

“(iv) Sec. 8.

“(C) In T. 14 S., R. 68 E., Mount Diablo Meridian, Nevada:

“(i) Sec. 1.

“(ii) Sec. 12.

“(3) WITHDRAWAL.—Subject to valid existing rights, until the date that is 12 years after the date of enactment of this subsection, the parcels of public land described in paragraph (2) are withdrawn from all forms of entry and appropriation under the public land laws, including the mining laws, and from operation of the mineral leasing and geothermal leasing laws.”

SEC. 134. QUADRICENTENNIAL COMMEMORATION OF THE SAINT CROIX ISLAND INTERNATIONAL HISTORIC SITE. (a) FINDINGS.—Congress finds that—

(1) in 1604, 1 of the first European colonization efforts was attempted at St. Croix Island in Calais, Maine;

(2) St. Croix Island settlement predated both the Jamestown and Plymouth colonies;

(3) St. Croix Island offers a rare opportunity to preserve and interpret early interactions between European explorers and colonists and Native Americans;

(4) St. Croix Island is 1 of only 2 international historic sites comprised of land administered by the National Park Service;

(5) the quadricentennial commemorative celebration honoring the importance of the St. Croix Island settlement to the countries and people of both Canada and the United States is rapidly approaching;

(6) the 1998 National Park Service management plans and long-range interpretive plan call for enhancing visitor facilities at both Red Beach and downtown Calais;

(7) in 1982, the Department of the Interior and Canadian Department of the Environment signed a memorandum of understanding to recognize the international significance of St. Croix Island and, in an amendment memorandum, agreed to conduct joint strategic planning for the international commemoration with a special focus on the 400th anniversary of settlement in 2004;

(8) the Department of Canadian Heritage has installed extensive interpretive sites on the Canadian side of the border; and

(9) current facilities at Red Beach and Calais are extremely limited or nonexistent for a site of this historic and cultural importance.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) using funds made available by this Act, the National Park Service should expeditiously pursue planning for exhibits at Red Beach and the town of Calais, Maine; and

(2) the National Park Service should take what steps are necessary, including consulting with the people of Calais, to ensure that appropriate exhibits at Red Beach and the town of Calais are completed by 2004.

SEC. 135. No funds appropriated for the Department of the Interior by this Act or any other Act shall be used to study or implement any plan to drain Lake Powell or to reduce the water level of the lake below the range of water levels required for the operation of the Glen Canyon Dam.

SEC. 136. None of the funds appropriated or otherwise made available in this Act or any other provision of law, may be used by any officer, employee, department or agency of the United States to impose or require payment of an inspection fee in connection with the import or export of shipments of fur-bearing wildlife containing 1,000 or fewer raw, crusted, salted or tanned hides or fur skins, or separate parts thereof, including species listed under the Convention on International Trade in Endangered Species of Wild Fauna and Flora done at Washington March 3, 1973 (27 UST 1027).

SEC. 137. (a) None of the funds provided in this Act shall be available to the Department of the Interior to deploy the Trust Asset and Accounting Management System (TAAMS) in any Bureau of Indian Affairs Area Office, with the exception of the Billings Area Office, until 45 days after the Secretary of the Interior certifies in writing to the Committee on Appropriations and the Committee on Indian Affairs that, based on the Secretary's review and analysis, such system meets the TAAMS contract requirements and the needs of the system's customers including the Bureau of Indian Affairs, the Office of Special Trustee for American Indians and affected Indian tribes and individual Indians.

(b) The Secretary shall certify that the following items have been completed in accordance with generally accepted guidelines for system development and acquisition and indicate the source of those guidelines: Design and functional requirements; legacy data conversion and use; system acceptance and user acceptance tests; project management functions such as deployment and implementation planning, risk management, quality assurance, configuration management, and independent verification and

validation activities. The General Accounting Office shall provide an independent assessment of the Secretary's certification within 15 days of the Secretary's certification.

SEC. 138. No funds appropriated under this Act shall be expended to implement sound thresholds or standards in the Grand Canyon National Park until 90 days after the National Park Service has provided to the Congress a report describing (1) the reasonable scientific basis for such sound thresholds or standard and (2) the peer review process used to validate such sound thresholds or standard.

SEC. 139. Notwithstanding any other provision of law, the Secretary of the Interior shall use any funds previously appropriated for the Department of the Interior for fiscal year 1998 for acquisition of lands to acquire land from the Borough of Haines, Alaska for subsequent conveyance to settle claims filed against the United States with respect to land in the Borough of Haines prior to January 1, 1999: Provided, That the Secretary of the Interior shall not convey lands acquired pursuant to this section unless and until a signed release of claims is executed.

SEC. 140. In addition to any amounts otherwise made available under this title to carry out the Tribally Controlled College or University Assistance Act of 1978, \$1,500,000 is appropriated to carry out such Act for fiscal year 2000.

SEC. 141. PILOT WILDLIFE DATA SYSTEM. From funds made available by this Act to the United States Fish and Wildlife Service, the Secretary of the Interior shall use \$1,000,000 to develop a pilot wildlife data system to provide statistical data relating to wildlife management and control in the State of Alabama.

SEC. 142. BIA POST SECONDARY SCHOOLS FUNDING FORMULA. (a) IN GENERAL.—Any funds appropriated for Bureau of Indian Affairs Operations for Central Office Operations for Post Secondary Schools for any fiscal year that exceed the amount appropriated for the schools for fiscal year 2000 shall be allocated among the schools proportionate to the unmet need of the schools as determined by the Post Secondary Funding Formula adopted by the Office of Indian Education Programs and the schools on May 13, 1999.

(b) APPLICABILITY.—This section shall apply for fiscal year 2000 and each succeeding fiscal year.

SEC. 143. Notwithstanding any other provision of law, in conveying the Twin Cities Research Center under the authority provided by Public Law 104-14, as amended by Public Law 104-208, the Secretary may accept and retain land and other forms of reimbursement: Provided, That the Secretary may retain and use any such reimbursement until expended and without further appropriation: (1) for the benefit of the National Wildlife Refuge System within the State of Minnesota; and (2) for all activities authorized by Public Law 100-696, 16 U.S.C. 4602z.

#### SEC. 144. VALUATION OF CRUDE OIL FOR ROYALTY PURPOSES.

None of the funds made available by this Act shall be used to issue a notice of final rulemaking with respect to the valuation of crude oil for royalty purposes (including a rulemaking derived from proposed rules published at 62 Fed. Reg. 3742 (January 24, 1997), 62 Fed. Reg. 36030 (July 3, 1997), and 63 Fed. Reg. 6113 (1998)) until September 30, 2000.

#### TITLE II—RELATED AGENCIES DEPARTMENT OF AGRICULTURE FOREST SERVICE

##### FOREST AND RANGELAND RESEARCH

For necessary expenses of forest and rangeland research as authorized by law, \$187,444,000, to remain available until expended: Provided, That within the funds available, \$250,000 shall be used to assess the potential hydrologic and biological impact of lead and zinc mining in the Mark Twain National Forest of Southern Missouri: Provided further, That none of the funds

in this Act may be used by the Secretary of the Interior to issue a prospecting permit for hardrock mineral exploration on Mark Twain National Forest land in the Current River/Jack's Fork River—Eleven Point Watershed (not including Mark Twain National Forest land in Townships 31N and 32N, Range 2 and Range 3 West, on which mining activities are taking place as of the date of enactment of this Act): Provided further, That none of the funds in this Act may be used by the Secretary of the Interior to segregate or withdraw land in the Mark Twain National Forest, Missouri under section 204 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1714).

#### STATE AND PRIVATE FORESTRY

For necessary expenses of cooperating with and providing technical and financial assistance to States, territories, possessions, and others, and for forest health management, cooperative forestry, and education and land conservation activities, \$190,793,000, to remain available until expended, as authorized by law.

#### NATIONAL FOREST SYSTEM

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, and for administrative expenses associated with the management of funds provided under the headings "Forest and Rangeland Research", "State and Private Forestry", "National Forest System", "Wildland Fire Management", "Reconstruction and Construction", and "Land Acquisition", \$1,239,051,000, to remain available until expended, which shall include 50 percent of all moneys received during prior fiscal years as fees collected under the Land and Water Conservation Fund Act of 1965, as amended, in accordance with section 4 of the Act (16 U.S.C. 4601-6a(i)): Provided, That of the amount provided under this heading, \$750,000 shall be used for a supplemental environmental impact statement for the Forest Service/Weyerhaeuser Huckleberry land exchange, which shall be completed by September 30, 2000.

#### WILDLAND FIRE MANAGEMENT

For necessary expenses for forest fire suppression activities on National Forest System lands, for emergency fire suppression on or adjacent to such lands or other lands under fire protection agreement, and for emergency rehabilitation of burned-over National Forest System lands and water, \$560,980,000, to remain available until expended: Provided, That such funds are available for repayment of advances from other appropriations accounts previously transferred for such purposes: Provided further, That notwithstanding any other provision of law, up to \$4,000,000 of funds appropriated under this appropriation may be used for Fire Science Research in support of the Joint Fire Science Program: Provided further, That all authorities for the use of funds, including the use of contracts, grants, and cooperative agreements, available to execute the Forest Service and Rangeland Research appropriation, are also available in the utilization of these funds for Fire Science Research.

For an additional amount to cover necessary expenses for emergency rehabilitation, suppression due to emergencies, and wildfire suppression activities of the Forest Service, \$90,000,000, to remain available until expended: Provided, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided further, That these funds shall be available only to the extent an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

#### RECONSTRUCTION AND MAINTENANCE

For necessary expenses of the Forest Service, not otherwise provided for, \$362,095,000, to remain available until expended for construction, reconstruction, maintenance and acquisition of buildings and other facilities, and for construction, reconstruction, repair and maintenance of forest roads and trails by the Forest Service as authorized by 16 U.S.C. 532-538 and 23 U.S.C. 101 and 205: Provided, That up to \$15,000,000 of the funds provided herein for road maintenance shall be available for the decommissioning of roads, including unauthorized roads not part of the transportation system, which are no longer needed: Provided further, That no funds shall be expended to decommission any system road until notice and an opportunity for public comment has been provided on each decommissioning project: Provided further, That any unexpended balances of amounts previously appropriated for Forest Service Reconstruction and Construction as well as any unobligated balances remaining in the National Forest System appropriation in the facility maintenance and trail maintenance extended budget line items at the end of fiscal year 1999 may be transferred to and made a part of this appropriation.

#### LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4 through 11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, \$36,370,000, to be derived from the Land and Water Conservation Fund, to remain available until expended: Provided, That subject to valid existing rights, all Federally owned lands and interests in lands within the New World Mining District comprising approximately 26,223 acres, more or less, which are described in a Federal Register notice dated August 19, 1997 (62 F.R. 44136-44137), are hereby withdrawn from all forms of entry, appropriation, and disposal under the public land laws, and from location, entry and patent under the mining laws, and from disposition under all mineral and geothermal leasing laws.

#### ACQUISITION OF LANDS FOR NATIONAL FORESTS SPECIAL ACTS

For acquisition of lands within the exterior boundaries of the Cache, Uinta, and Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, Sequoia, and Cleveland National Forests, California, as authorized by law, \$1,069,000, to be derived from forest receipts.

#### ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES

For acquisition of lands, such sums, to be derived from funds deposited by State, county, or municipal governments, public school districts, or other public school authorities pursuant to the Act of December 4, 1967, as amended (16 U.S.C. 484a), to remain available until expended.

#### RANGE BETTERMENT FUND

For necessary expenses of range rehabilitation, protection, and improvement, 50 percent of all moneys received during the prior fiscal year, as fees for grazing domestic livestock on lands in National Forests in the sixteen Western States, pursuant to section 401(b)(1) of Public Law 94-579, as amended, to remain available until expended, of which not to exceed 6 percent shall be available for administrative expenses associated with on-the-ground range rehabilitation, protection, and improvements.

#### GIFTS, DONATIONS AND BEQUESTS FOR FOREST AND RANGELAND RESEARCH

For expenses authorized by 16 U.S.C. 1643(b), \$92,000, to remain available until expended, to be derived from the fund established pursuant to the above Act.

#### ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Appropriations to the Forest Service for the current fiscal year shall be available for: (1)

purchase of not to exceed 110 passenger motor vehicles of which 15 will be used primarily for law enforcement purposes and of which 109 shall be for replacement; acquisition of 25 passenger motor vehicles from excess sources, and hire of such vehicles; operation and maintenance of aircraft, the purchase of not to exceed three for replacement only, and acquisition of sufficient aircraft from excess sources to maintain the operable fleet at 213 aircraft for use in Forest Service wildland fire programs and other Forest Service programs; notwithstanding other provisions of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft; (2) services pursuant to 7 U.S.C. 2225, and not to exceed \$100,000 for employment under 5 U.S.C. 3109; (3) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (4) acquisition of land, waters, and interests therein, pursuant to 7 U.S.C. 428a; (5) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, and 558a note); (6) the cost of uniforms as authorized by 5 U.S.C. 5901-5902; and (7) for debt collection contracts in accordance with 31 U.S.C. 3718(c).

None of the funds made available under this Act shall be obligated or expended to abolish any region, to move or close any regional office for National Forest System administration of the Forest Service, Department of Agriculture without the consent of the House and Senate Committees on Appropriations.

Any appropriations or funds available to the Forest Service may be transferred to the Wildland Fire Management appropriation for forest firefighting, emergency rehabilitation of burned-over or damaged lands or waters under its jurisdiction, and fire preparedness due to severe burning conditions.

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Foreign Agricultural Service in connection with forest and rangeland research, technical information, and assistance in foreign countries, and shall be available to support forestry and related natural resource activities outside the United States and its territories and possessions, including technical assistance, education and training, and cooperation with United States and international organizations.

None of the funds made available to the Forest Service under this Act shall be subject to transfer under the provisions of section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) or 7 U.S.C. 147b unless the proposed transfer is approved in advance by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report 105-163.

None of the funds available to the Forest Service may be reprogrammed without the advance approval of the House and Senate Committees on Appropriations in accordance with the procedures contained in House Report 105-163.

No funds appropriated to the Forest Service shall be transferred to the Working Capital Fund of the Department of Agriculture without the approval of the Chief of the Forest Service.

Funds available to the Forest Service shall be available to conduct a program of not less than \$1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by the Youth Conservation Corps as authorized by the Act of August 13, 1970, as amended by Public Law 93-408.

Of the funds available to the Forest Service, \$1,500 is available to the Chief of the Forest Service for official reception and representation expenses.

To the greatest extent possible, and in accordance with the Final Amendment to the Shawnee National Forest Plan, none of the funds available in this Act shall be used for preparation of timber sales using clearcutting or other forms of



even-aged management in hardwood stands in the Shawnee National Forest, Illinois.

Pursuant to sections 405(b) and 410(b) of Public Law 101-593, of the funds available to the Forest Service, up to \$2,250,000 may be advanced in a lump sum as Federal financial assistance to the National Forest Foundation, without regard to when the Foundation incurs expenses, for administrative expenses or projects on or benefiting National Forest System lands or related to Forest Service programs: Provided, That of the Federal funds made available to the Foundation, no more than \$400,000 shall be available for administrative expenses: Provided further, That the Foundation shall obtain, by the end of the period of Federal financial assistance, private contributions to match on at least one-for-one basis funds made available by the Forest Service: Provided further, That the Foundation may transfer Federal funds to a non-Federal recipient for a project at the same rate that the recipient has obtained the non-Federal matching funds: Provided further, That hereafter, the National Forest Foundation may hold Federal funds made available but not immediately disbursed and may use any interest or other investment income earned (before, on, or after the date of enactment of this Act) on Federal funds to carry out the purposes of Public Law 101-593: Provided further, That such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

Pursuant to section 2(b)(2) of Public Law 98-244, up to \$2,650,000 of the funds available to the Forest Service shall be available for matching funds to the National Fish and Wildlife Foundation, as authorized by 16 U.S.C. 3701-3709, and may be advanced in a lump sum as Federal financial assistance, without regard to when expenses are incurred, for projects on or benefiting National Forest System lands or related to Forest Service programs: Provided, That the Foundation shall obtain, by the end of the period of Federal financial assistance, private contributions to match on at least one-for-one basis funds advanced by the Forest Service: Provided further, That the Foundation may transfer Federal funds to a non-Federal recipient for a project at the same rate that the recipient has obtained the non-Federal matching funds.

Funds appropriated to the Forest Service shall be available for interactions with and providing technical assistance to rural communities for sustainable rural development purposes.

Notwithstanding any other provision of law, 80 percent of the funds appropriated to the Forest Service in the "National Forest System" and "Reconstruction and Construction" accounts and planned to be allocated to activities under the "Jobs in the Woods" program for projects on National Forest land in the State of Washington may be granted directly to the Washington State Department of Fish and Wildlife for accomplishment of planned projects. Twenty percent of said funds shall be retained by the Forest Service for planning and administering projects. Project selection and prioritization shall be accomplished by the Forest Service with such consultation with the State of Washington as the Forest Service deems appropriate.

Funds appropriated to the Forest Service shall be available for payments to counties within the Columbia River Gorge National Scenic Area, pursuant to sections 14(c)(1) and (2), and section 16(a)(2) of Public Law 99-663.

The Secretary of Agriculture is authorized to enter into grants, contracts, and cooperative agreements as appropriate with the Pinchot Institute for Conservation, as well as with public and other private agencies, organizations, institutions, and individuals, to provide for the development, administration, maintenance, or restoration of land, facilities, or Forest Service programs, at the Grey Towers National Historic Landmark: Provided, That, subject to such terms and conditions as the Secretary of Agriculture may prescribe, any such public or pri-

vate agency, organization, institution, or individual may solicit, accept, and administer private gifts of money and real or personal property for the benefit of, or in connection with, the activities and services at the Grey Towers National Historic Landmark: Provided further, That such gifts may be accepted notwithstanding the fact that a donor conducts business with the Department of Agriculture in any capacity.

Funds appropriated to the Forest Service shall be available, as determined by the Secretary, for payments to Del Norte County, California, pursuant to sections 13(e) and 14 of the Smith River National Recreation Area Act (Public Law 101-612).

For purposes of the Southeast Alaska Economic Disaster Fund as set forth in section 101(c) of Public Law 104-134, the direct grants provided in subsection (c) shall be considered direct payments for purposes of all applicable law except that these direct grants may not be used for lobbying activities.

No employee of the Department of Agriculture may be detailed or assigned from an agency or office funded by this Act to any other agency or office of the Department for more than 30 days unless the individual's employing agency or office is fully reimbursed by the receiving agency or office for the salary and expenses of the employee for the period of assignment.

The Forest Service shall fund overhead, national commitments, indirect expenses, and any other category for use of funds which are expended at any units, that are not directly related to the accomplishment of specific work on-the-ground (referred to as "indirect expenditures"), from funds available to the Forest Service, unless otherwise prohibited by law: Provided, That the Forest Service shall implement and adhere to the definitions of indirect expenditures established pursuant to Public Law 105-277 on a nationwide basis without flexibility for modification by any organizational level except the Washington Office, and when changed by the Washington Office, such changes in definition shall be reported in budget requests submitted by the Forest Service: Provided further, That the Forest Service shall provide in all future budget justifications, planned indirect expenditures in accordance with the definitions, summarized and displayed to the Regional, Station, Area, and detached unit office level. The justification shall display the estimated source and amount of indirect expenditures, by expanded budget line item, of funds in the agency's annual budget justification. The display shall include appropriated funds and the Knutson-Vandenberg, Brush Disposal, Cooperative Work-Other, and Salvage Sale funds. Changes between estimated and actual indirect expenditures shall be reported in subsequent budget justifications: Provided further, That during fiscal year 2000 the Secretary shall limit total annual indirect obligations from the Brush Disposal, Cooperative Work-Other, Knutson-Vandenberg, Reforestation, Salvage Sale, and Roads and Trails funds to 20 percent of the total obligations from each fund.

Notwithstanding any other provision of law, any appropriations or funds available to the Forest Service may be used to reimburse the Office of the General Counsel (OGC), Department of Agriculture, for travel and related expenses incurred as a result of OGC assistance or participation requested by the Forest Service at meetings, training sessions, management reviews, land purchase negotiations and similar non-litigation related matters: Provided, That no more than \$500,000 is transferred: Provided further, That future budget justifications for both the Forest Service and the Department of Agriculture clearly display the sums previously transferred and request future funding levels.

Any appropriations or funds available to the Forest Service may be used for necessary expenses in the event of law enforcement emer-

gencies as necessary to protect natural resources and public or employee safety.

From any unobligated balances available at the start of fiscal year 2000, the amount of \$11,550,000 shall be allocated to the Alaska Region, in addition to the funds appropriated to sell timber in the Alaska Region under this Act, for expenses directly related to preparing sufficient additional timber for sale in the Alaska Region to establish a three-year timber supply.

Of any funds available to Region 10 of the Forest Service, exclusive of funds for timber sales management or road reconstruction/construction, \$7,000,000 shall be used in fiscal year 2000 to support implementation of the recent amendments to the Pacific Salmon Treaty with Canada which require fisheries enhancements on the Tongass National Forest.

The Forest Service is authorized through the Forest Service existing budget to reimburse Harry Fray for the cost of his home, \$143,406 (1997 dollars) destroyed by arson on June 21, 1990 in retaliation for his work with the Forest Service.

#### DEPARTMENT OF ENERGY

##### CLEAN COAL TECHNOLOGY

###### (DEFERRAL)

Of the funds made available under this heading for obligation in prior years, \$156,000,000 shall not be available until October 1, 2000: Provided, That funds made available in previous appropriations Acts shall be available for any ongoing project regardless of the separate request for proposal under which the project was selected.

##### FOSSIL ENERGY RESEARCH AND DEVELOPMENT

For necessary expenses in carrying out fossil energy research and development activities, under the authority of the Department of Energy Organization Act (Public Law 95-91), including the acquisition of interest, including de-feasible and equitable interests in any real property or any facility or for plant or facility acquisition or expansion, and for conducting inquiries, technological investigations and research concerning the extraction, processing, use, and disposal of mineral substances without objectionable social and environmental costs (30 U.S.C. 3, 1602, and 1603), performed under the minerals and materials science programs at the Albany Research Center in Oregon, \$390,975,000, to remain available until expended, of which \$24,000,000 shall be derived by transfer from unobligated balances in the Biomass Energy Development account: Provided, That no part of the sum herein made available shall be used for the field testing of nuclear explosives in the recovery of oil and gas.

##### ALTERNATIVE FUELS PRODUCTION

###### (INCLUDING TRANSFER OF FUNDS)

Moneys received as investment income on the principal amount in the Great Plains Project Trust at the Norwest Bank of North Dakota, in such sums as are earned as of October 1, 1999, shall be deposited in this account and immediately transferred to the general fund of the Treasury. Moneys received as revenue sharing from operation of the Great Plains Gasification Plant and settlement payments shall be immediately transferred to the general fund of the Treasury.

##### NAVAL PETROLEUM AND OIL SHALE RESERVES

The requirements of 10 U.S.C. 7430(b)(2)(B) shall not apply to fiscal year 2000: Provided, That, notwithstanding any other provision of law, unobligated funds remaining from prior years shall be available for all naval petroleum and oil shale reserve activities.

##### ENERGY CONSERVATION

For necessary expenses in carrying out energy conservation activities, \$684,817,000, to remain available until expended, of which \$1,600,000 shall be for grants to municipal governments for cost-shared research projects in buildings, municipal processes, transportation and sustainable urban energy systems, and of which

\$25,000,000 shall be derived by transfer from un-obligated balances in the Biomass Energy Development account: Provided, That \$168,000,000 shall be for use in energy conservation programs as defined in section 3008(3) of Public Law 99-509 (15 U.S.C. 4507): Provided further, That notwithstanding section 3003(d)(2) of Public Law 99-509, such sums shall be allocated to the eligible programs as follows: \$135,000,000 for weatherization assistance grants and \$33,000,000 for State energy conservation grants.

#### ECONOMIC REGULATION

For necessary expenses in carrying out the activities of the Office of Hearings and Appeals, \$2,000,000, to remain available until expended.

#### STRATEGIC PETROLEUM RESERVE

For necessary expenses for Strategic Petroleum Reserve facility development and operations and program management activities pursuant to the Energy Policy and Conservation Act of 1975, as amended (42 U.S.C. 6201 et seq.), \$159,000,000, to remain available until expended: Provided, That the Secretary of Energy hereafter may transfer to the SPR Petroleum Account such funds as may be necessary to carry out drawdown and sale operations of the Strategic Petroleum Reserve initiated under section 161 of the Energy Policy and Conservation Act (42 U.S.C. 6241) from any funds available to the Department of Energy under this or any other Act. All funds transferred pursuant to this authority must be replenished as promptly as possible from oil sale receipts pursuant to the drawdown and sale.

#### ENERGY INFORMATION ADMINISTRATION

For necessary expenses in carrying out the activities of the Energy Information Administration, \$70,500,000, to remain available until expended.

#### ADMINISTRATIVE PROVISIONS, DEPARTMENT OF ENERGY

Appropriations under this Act for the current fiscal year shall be available for hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase, repair, and cleaning of uniforms; and reimbursement to the General Services Administration for security guard services.

From appropriations under this Act, transfers of sums may be made to other agencies of the Government for the performance of work for which the appropriation is made.

None of the funds made available to the Department of Energy under this Act shall be used to implement or finance authorized price support or loan guarantee programs unless specific provision is made for such programs in an appropriations Act.

The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, private or foreign: Provided, That revenues and other moneys received by or for the account of the Department of Energy or otherwise generated by sale of products in connection with projects of the Department appropriated under this Act may be retained by the Secretary of Energy, to be available until expended, and used only for plant construction, operation, costs, and payments to cost-sharing entities as provided in appropriate cost-sharing contracts or agreements: Provided further, That the remainder of revenues after the making of such payments shall be covered into the Treasury as miscellaneous receipts: Provided further, That any contract, agreement, or provision thereof entered into by the Secretary pursuant to this authority shall not be executed prior to the expiration of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) from the receipt by the Speaker of the House of Representatives and the President of the Senate of a full comprehensive report on such project, in-

cluding the facts and circumstances relied upon in support of the proposed project.

No funds provided in this Act may be expended by the Department of Energy to prepare, issue, or process procurement documents for programs or projects for which appropriations have not been made.

In addition to other authorities set forth in this Act, the Secretary may accept fees and contributions from public and private sources, to be deposited in a contributed funds account, and prosecute projects using such fees and contributions in cooperation with other Federal, State or private agencies or concerns.

#### DEPARTMENT OF HEALTH AND HUMAN SERVICES

##### INDIAN HEALTH SERVICE

##### INDIAN HEALTH SERVICES

For expenses necessary to carry out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination Act, the Indian Health Care Improvement Act, and titles II and III of the Public Health Service Act with respect to the Indian Health Service, \$2,138,001,000, together with payments received during the fiscal year pursuant to 42 U.S.C. 238(b) for services furnished by the Indian Health Service: Provided, That funds made available to tribes and tribal organizations through contracts, grant agreements, or any other agreements or compacts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (25 U.S.C. 450), shall be deemed to be obligated at the time of the grant or contract award and thereafter shall remain available to the tribe or tribal organization without fiscal year limitation: Provided further, That \$12,000,000 shall remain available until expended, for the Indian Catastrophic Health Emergency Fund: Provided further, That \$384,442,000 for contract medical care shall remain available for obligation until September 30, 2001: Provided further, That of the funds provided, up to \$17,000,000 shall be used to carry out the loan repayment program under section 108 of the Indian Health Care Improvement Act: Provided further, That funds provided in this Act may be used for one-year contracts and grants which are to be performed in two fiscal years, so long as the total obligation is recorded in the year for which the funds are appropriated: Provided further, That the amounts collected by the Secretary of Health and Human Services under the authority of title IV of the Indian Health Care Improvement Act shall remain available until expended for the purpose of achieving compliance with the applicable conditions and requirements of titles XVIII and XIX of the Social Security Act (exclusive of planning, design, or construction of new facilities): Provided further, That funding contained herein, and in any earlier appropriations Acts for scholarship programs under the Indian Health Care Improvement Act (25 U.S.C. 1613) shall remain available for obligation until September 30, 2001: Provided further, That amounts received by tribes and tribal organizations under title IV of the Indian Health Care Improvement Act shall be reported and accounted for and available to the receiving tribes and tribal organizations until expended: Provided further, That, notwithstanding any other provision of law, of the amounts provided herein, not to exceed \$203,781,000 shall be for payments to tribes and tribal organizations for contract or grant support costs associated with contracts, grants, self-governance compacts or annual funding agreements between the Indian Health Service and a tribe or tribal organization pursuant to the Indian Self-Determination Act of 1975, as amended, prior to or during fiscal year 2000.

##### INDIAN HEALTH FACILITIES

For construction, repair, maintenance, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites, purchase and erection of modular buildings, and purchases of

trailers; and for provision of domestic and community sanitation facilities for Indians, as authorized by section 7 of the Act of August 5, 1954 (42 U.S.C. 2004a), the Indian Self-Determination Act, and the Indian Health Care Improvement Act, and for expenses necessary to carry out such Acts and titles II and III of the Public Health Service Act with respect to environmental health and facilities support activities of the Indian Health Service, \$189,252,000, to remain available until expended: Provided, That notwithstanding any other provision of law, funds appropriated for the planning, design, construction or renovation of health facilities for the benefit of an Indian tribe or tribes may be used to purchase land for sites to construct, improve, or enlarge health or related facilities.

#### ADMINISTRATIVE PROVISIONS, INDIAN HEALTH SERVICE

Appropriations in this Act to the Indian Health Service shall be available for services as authorized by 5 U.S.C. 3109 but at rates not to exceed the per diem rate equivalent to the maximum rate payable for senior-level positions under 5 U.S.C. 5376; hire of passenger motor vehicles and aircraft; purchase of medical equipment; purchase of reprints; purchase, renovation and erection of modular buildings and renovation of existing facilities; payments for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and for uniforms or allowances therefore as authorized by 5 U.S.C. 5901-5902; and for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities: Provided, That in accordance with the provisions of the Indian Health Care Improvement Act, non-Indian patients may be extended health care at all tribally administered or Indian Health Service facilities, subject to charges, and the proceeds along with funds recovered under the Federal Medical Care Recovery Act (42 U.S.C. 2651-2653) shall be credited to the account of the facility providing the service and shall be available without fiscal year limitation: Provided further, That notwithstanding any other law or regulation, funds transferred from the Department of Housing and Urban Development to the Indian Health Service shall be administered under Public Law 86-121 (the Indian Sanitation Facilities Act) and Public Law 93-638, as amended: Provided further, That funds appropriated to the Indian Health Service in this Act, except those used for administrative and program direction purposes, shall not be subject to limitations directed at curtailing Federal travel and transportation: Provided further, That notwithstanding any other provision of law, funds previously or herein made available to a tribe or tribal organization through a contract, grant, or agreement authorized by title I or title III of the Indian Self-Determination and Education Assistance Act of 1975 (25 U.S.C. 450), may be deobligated and reobligated to a self-determination contract under title I, or a self-governance agreement under title III of such Act and thereafter shall remain available to the tribe or tribal organization without fiscal year limitation: Provided further, That none of the funds made available to the Indian Health Service in this Act shall be used to implement the final rule published in the Federal Register on September 16, 1987, by the Department of Health and Human Services, relating to the eligibility for the health care services of the Indian Health Service until the Indian Health Service has submitted a budget request reflecting the increased costs associated with the proposed final rule, and such request has been included in an appropriations Act and enacted into law: Provided further, That funds made available in this Act are to be apportioned to the Indian Health Service as appropriated in this Act, and accounted for in the appropriation structure set

forth in this Act: Provided further, That with respect to functions transferred by the Indian Health Service to tribes or tribal organizations, the Indian Health Service is authorized to provide goods and services to those entities, on a reimbursable basis, including payment in advance with subsequent adjustment, and the reimbursements received therefrom, along with the funds received from those entities pursuant to the Indian Self-Determination Act, may be credited to the same or subsequent appropriation account which provided the funding, said amounts to remain available until expended: Provided further, That reimbursements for training, technical assistance, or services provided by the Indian Health Service will contain total costs, including direct, administrative, and overhead associated with the provision of goods, services, or technical assistance: Provided further, That the appropriation structure for the Indian Health Service may not be altered without advance approval of the House and Senate Committees on Appropriations.

#### OTHER RELATED AGENCIES

##### OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

###### SALARIES AND EXPENSES

For necessary expenses of the Office of Navajo and Hopi Indian Relocation as authorized by Public Law 93-531, \$8,000,000, to remain available until expended: Provided, That funds provided in this or any other appropriations Act are to be used to relocate eligible individuals and groups including evictees from District 6, Hopi-partitioned lands residents, those in significantly substandard housing, and all others certified as eligible and not included in the preceding categories: Provided further, That none of the funds contained in this or any other Act may be used by the Office of Navajo and Hopi Indian Relocation to evict any single Navajo or Navajo family who, as of November 30, 1985, was physically domiciled on the lands partitioned to the Hopi Tribe unless a new or replacement home is provided for such household: Provided further, That no relocatee will be provided with more than one new or replacement home: Provided further, That the Office shall relocate any certified eligible relocatees who have selected and received an approved homesite on the Navajo reservation or selected a replacement residence off the Navajo reservation or on the land acquired pursuant to 25 U.S.C. 640d-10.

##### INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT

###### PAYMENT TO THE INSTITUTE

For payment to the Institute of American Indian and Alaska Native Culture and Arts Development, as authorized by title XV of Public Law 99-498, as amended (20 U.S.C. 56 part A), \$4,250,000.

##### SMITHSONIAN INSTITUTION

###### SALARIES AND EXPENSES

For necessary expenses of the Smithsonian Institution, as authorized by law, including research in the fields of art, science, and history; development, preservation, and documentation of the National Collections; presentation of public exhibits and performances; collection, preparation, dissemination, and exchange of information and publications; conduct of education, training, and museum assistance programs; maintenance, alteration, operation, lease (for terms not to exceed 30 years), and protection of buildings, facilities, and approaches; not to exceed \$100,000 for services as authorized by 5 U.S.C. 3109; up to 5 replacement passenger vehicles; purchase, rental, repair, and cleaning of uniforms for employees; \$367,062,000, of which not to exceed \$40,704,000 for the instrumentation program, collections acquisition, Museum Support Center equipment and move, exhibition reinstallation, the National Museum of the American Indian, the repatriation of skeletal remains program, research equipment, information management, and Latino programming shall remain

available until expended, and including such funds as may be necessary to support American overseas research centers and a total of \$125,000 for the Council of American Overseas Research Centers: Provided, That funds appropriated herein are available for advance payments to independent contractors performing research services or participating in official Smithsonian presentations.

##### CONSTRUCTION AND IMPROVEMENTS, NATIONAL ZOOLOGICAL PARK

For necessary expenses of planning, construction, remodeling, and equipping of buildings and facilities at the National Zoological Park, by contract or otherwise, \$4,400,000, to remain available until expended.

##### REPAIR AND RESTORATION OF BUILDINGS

For necessary expenses of repair and restoration of buildings owned or occupied by the Smithsonian Institution, by contract or otherwise, as authorized by section 2 of the Act of August 22, 1949 (63 Stat. 623), including not to exceed \$10,000 for services as authorized by 5 U.S.C. 3109, \$35,000,000, to remain available until expended: Provided, That contracts awarded for environmental systems, protection systems, and exterior repair or restoration of buildings of the Smithsonian Institution may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

##### CONSTRUCTION

For necessary expenses for construction, \$19,000,000, to remain available until expended.

##### ADMINISTRATIVE PROVISIONS, SMITHSONIAN INSTITUTION

None of the funds in this or any other Act may be used to initiate the design for any proposed expansion of current space or new facility without consultation with the House and Senate Appropriations Committees.

The Smithsonian Institution shall not use Federal funds in excess of the amount specified in Public Law 101-185 for the construction of the National Museum of the American Indian.

##### NATIONAL GALLERY OF ART

###### SALARIES AND EXPENSES

For the upkeep and operations of the National Gallery of Art, the protection and care of the works of art therein, and administrative expenses incident thereto, as authorized by the Act of March 24, 1937 (50 Stat. 51), as amended by the public resolution of April 13, 1939 (Public Resolution 9, Seventy-sixth Congress), including services as authorized by 5 U.S.C. 3109; payment in advance when authorized by the treasurer of the Gallery for membership in library, museum, and art associations or societies whose publications or services are available to members only, or to members at a price lower than to the general public; purchase, repair, and cleaning of uniforms for guards, and uniforms, or allowances therefor, for other employees as authorized by law (5 U.S.C. 5901-5902); purchase or rental of devices and services for protecting buildings and contents thereof, and maintenance, alteration, improvement, and repair of buildings, approaches, and grounds; and purchase of services for restoration and repair of works of art for the National Gallery of Art by contracts made, without advertising, with individuals, firms, or organizations at such rates or prices and under such terms and conditions as the Gallery may deem proper, \$61,438,000, of which not to exceed \$3,026,000 for the special exhibition program shall remain available until expended.

##### REPAIR, RESTORATION AND RENOVATION OF BUILDINGS

For necessary expenses of repair, restoration and renovation of buildings, grounds and facilities owned or occupied by the National Gallery of Art, by contract or otherwise, as authorized, \$6,311,000, to remain available until expended: Provided, That contracts awarded for environmental systems, protection systems, and exterior

repair or renovation of buildings of the National Gallery of Art may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

##### JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

###### OPERATIONS AND MAINTENANCE

For necessary expenses for the operation, maintenance and security of the John F. Kennedy Center for the Performing Arts, \$14,000,000.

##### CONSTRUCTION

For necessary expenses for capital repair and rehabilitation of the existing features of the building and site of the John F. Kennedy Center for the Performing Arts, \$20,000,000, to remain available until expended.

##### WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

###### SALARIES AND EXPENSES

For expenses necessary in carrying out the provisions of the Woodrow Wilson Memorial Act of 1968 (82 Stat. 1356) including hire of passenger vehicles and services as authorized by 5 U.S.C. 3109, \$6,040,000.

##### NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

###### NATIONAL ENDOWMENT FOR THE ARTS

###### GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, \$90,000,000 shall be available to the National Endowment for the Arts for the support of projects and productions in the arts through assistance to organizations and individuals pursuant to sections 5(c) and 5(g) of the Act, for program support, and for administering the functions of the Act, to remain available until expended.

###### MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, \$13,000,000, to remain available until expended, to the National Endowment for the Arts: Provided, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the chairman or by grantees of the Endowment under the provisions of section 10(a)(2), subsections 11(a)(2)(A) and 11(a)(3)(A) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

##### NATIONAL ENDOWMENT FOR THE HUMANITIES

###### GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, \$101,000,000, shall be available to the National Endowment for the Humanities for support of activities in the humanities, pursuant to section 7(c) of the Act, and for administering the functions of the Act, to remain available until expended.

###### MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, \$14,700,000, to remain available until expended, of which \$10,700,000 shall be available to the National Endowment for the Humanities for the purposes of section 7(h): Provided, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the chairman or by grantees of the Endowment under the provisions of subsections 11(a)(2)(B) and 11(a)(3)(B) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES  
OFFICE OF MUSEUM SERVICES  
GRANTS AND ADMINISTRATION

For carrying out subtitle C of the Museum and Library Services Act of 1996, as amended, \$23,905,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS

None of the funds appropriated to the National Foundation on the Arts and the Humanities may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: Provided, That none of the funds appropriated to the National Foundation on the Arts and the Humanities may be used for official reception and representation expenses: Provided further, That funds from nonappropriated sources may be used as necessary for official reception and representation expenses.

COMMISSION OF FINE ARTS

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing a Commission of Fine Arts (40 U.S.C. 104), \$1,078,000: Provided, That beginning in fiscal year 2000 and thereafter, the Commission is authorized to charge fees to cover the full costs of its publications, and such fees shall be credited to this account as an offsetting collection, to remain available until expended without further appropriation.

NATIONAL CAPITAL ARTS AND CULTURAL AFFAIRS

For necessary expenses as authorized by Public Law 99-190 (20 U.S.C. 956(a)), as amended, \$7,000,000.

ADVISORY COUNCIL ON HISTORIC PRESERVATION

SALARIES AND EXPENSES

For necessary expenses of the Advisory Council on Historic Preservation (Public Law 89-665, as amended), \$2,906,000: Provided, That none of these funds shall be available for compensation of level V of the Executive Schedule or higher positions.

NATIONAL CAPITAL PLANNING COMMISSION

SALARIES AND EXPENSES

For necessary expenses, as authorized by the National Capital Planning Act of 1952 (40 U.S.C. 71-71i), including services as authorized by 5 U.S.C. 3109, \$6,312,000: Provided, That all appointed members will be compensated at a rate not to exceed the rate for level IV of the Executive Schedule.

UNITED STATES HOLOCAUST MEMORIAL COUNCIL

HOLOCAUST MEMORIAL COUNCIL

For expenses of the Holocaust Memorial Council, as authorized by Public Law 96-388 (36 U.S.C. 1401), as amended, \$33,286,000, of which \$1,575,000 for the museum's repair and rehabilitation program and \$1,264,000 for the museum's exhibitions program shall remain available until expended.

PRESIDIO TRUST

PRESIDIO TRUST FUND

For necessary expenses to carry out title I of the Omnibus Parks and Public Lands Management Act of 1996, \$24,400,000 shall be available to the Presidio Trust, to remain available until expended, of which up to \$1,040,000 may be for the cost of guaranteed loans, as authorized by section 104(d) of the Act: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$200,000,000. The Trust is authorized to issue obligations to the Secretary of the Treasury pursuant to section 104(d)(3) of the Act, in an amount not to exceed \$20,000,000.

TITLE III—GENERAL PROVISIONS

SEC. 301. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5

U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law.

SEC. 302. No part of any appropriation under this Act shall be available to the Secretary of the Interior or the Secretary of Agriculture for the leasing of oil and natural gas by non-competitive bidding on publicly owned lands within the boundaries of the Shawnee National Forest, Illinois: Provided, That nothing herein is intended to inhibit or otherwise affect the sale, lease, or right to access to minerals owned by private individuals.

SEC. 303. No part of any appropriation contained in this Act shall be available for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which congressional action is not complete.

SEC. 304. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 305. None of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency except as otherwise provided by law.

SEC. 306. No assessments may be levied against any program, budget activity, subactivity, or project funded by this Act unless advance notice of such assessments and the basis therefor are presented to the Committees on Appropriations and are approved by such Committees.

SEC. 307. (a) COMPLIANCE WITH BUY AMERICAN ACT.—None of the funds made available in this Act may be expended by an entity unless the entity agrees that in expending the funds the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a-10c; popularly known as the "Buy American Act").

(b) SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.—

(1) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance using funds made available in this Act, the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 308. None of the funds in this Act may be used to plan, prepare, or offer for sale timber from trees classified as giant sequoia (*Sequoiadendron giganteum*) which are located on National Forest System or Bureau of Land Management lands in a manner different than such sales were conducted in fiscal year 1999.

SEC. 309. None of the funds made available by this Act may be obligated or expended by the National Park Service to enter into or implement a concession contract which permits or requires the removal of the underground lunchroom at the Carlsbad Caverns National Park.

SEC. 310. None of the funds appropriated or otherwise made available by this Act may be used for the AmeriCorps program, unless the relevant agencies of the Department of the Interior and/or Agriculture follow appropriate reprogramming guidelines: Provided, That if no funds are provided for the AmeriCorps program by the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999, then none of the funds appropriated or otherwise made available by this Act may be used for the AmeriCorps programs.

SEC. 311. None of the funds made available in this Act may be used: (1) to demolish the bridge between Jersey City, New Jersey, and Ellis Island; or (2) to prevent pedestrian use of such bridge, when it is made known to the Federal official having authority to obligate or expend such funds that such pedestrian use is consistent with generally accepted safety standards.

SEC. 312. (a) LIMITATION OF FUNDS.—None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to accept or process applications for a patent for any mining or mill site claim located under the general mining laws.

(b) EXCEPTIONS.—The provisions of subsection (a) shall not apply if the Secretary of the Interior determines that, for the claim concerned: (1) a patent application was filed with the Secretary on or before September 30, 1994; and (2) all requirements established under sections 2325 and 2326 of the Revised Statutes (30 U.S.C. 29 and 30) for vein or lode claims and sections 2329, 2330, 2331, and 2333 of the Revised Statutes (30 U.S.C. 35, 36, and 37) for placer claims, and section 2337 of the Revised Statutes (30 U.S.C. 42) for mill site claims, as the case may be, were fully complied with by the applicant by that date.

(c) REPORT.—On September 30, 2000, the Secretary of the Interior shall file with the House and Senate Committees on Appropriations and the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report on actions taken by the Department under the plan submitted pursuant to section 314(c) of the Department of the Interior and Related Agencies Appropriations Act, 1997 (Public Law 104-208).

(d) MINERAL EXAMINATIONS.—In order to process patent applications in a timely and responsible manner, upon the request of a patent applicant, the Secretary of the Interior shall allow the applicant to fund a qualified third-party contractor to be selected by the Bureau of Land Management to conduct a mineral examination of the mining claims or mill sites contained in a patent application as set forth in subsection (b). The Bureau of Land Management shall have the sole responsibility to choose and pay the third-party contractor in accordance with the standard procedures employed by the Bureau of Land Management in the retention of third-party contractors.

SEC. 313. Notwithstanding any other provision of law, amounts appropriated to or earmarked in committee reports for the Bureau of Indian Affairs and the Indian Health Service by Public Laws 103-138, 103-332, 104-134, 104-208, 105-83, and 105-277 for payments to tribes and tribal organizations for contract support costs associated with self-determination or self-governance contracts, grants, compacts, or annual funding agreements with the Bureau of Indian Affairs or the Indian Health Service as funded by such Acts, are the total amounts available for fiscal years 1994 through 1999 for such purposes, except that, for the Bureau of Indian Affairs, tribes and tribal organizations may use their tribal priority allocations for unmet indirect costs of ongoing contracts, grants, self-governance compacts or annual funding agreements.

SEC. 314. Notwithstanding any other provision of law, for fiscal year 2000 the Secretaries of Agriculture and the Interior are authorized to limit

competition for watershed restoration project contracts as part of the "Jobs in the Woods" component of the President's Forest Plan for the Pacific Northwest or the Jobs in the Woods Program established in Region 10 of the Forest Service to individuals and entities in historically timber-dependent areas in the States of Washington, Oregon, northern California and Alaska that have been affected by reduced timber harvesting on Federal lands.

SEC. 315. None of the funds collected under the Recreational Fee Demonstration program may be used to plan, design, or construct a visitor center or any other permanent structure without prior approval of the House and the Senate Committees on Appropriations if the estimated total cost of the facility exceeds \$500,000.

SEC. 316. (a) None of the funds made available in this Act or any other Act providing appropriations for the Department of the Interior, the Forest Service or the Smithsonian Institution may be used to submit nominations for the designation of Biosphere Reserves pursuant to the Man and Biosphere program administered by the United Nations Educational, Scientific, and Cultural Organization.

(b) The provisions of this section shall be repealed upon enactment of subsequent legislation specifically authorizing United States participation in the Man and Biosphere program.

SEC. 317. None of the funds made available in this or any other Act for any fiscal year may be used to designate, or to post any sign designating, any portion of Canaveral National Seashore in Brevard County, Florida, as a clothing-optional area or as an area in which public nudity is permitted, if such designation would be contrary to county ordinance.

SEC. 318. Of the funds provided to the National Endowment for the Arts—

(1) The Chairperson shall only award a grant to an individual if such grant is awarded to such individual for a literature fellowship, National Heritage Fellowship, or American Jazz Masters Fellowship.

(2) The Chairperson shall establish procedures to ensure that no funding provided through a grant, except a grant made to a State or local arts agency, or regional group, may be used to make a grant to any other organization or individual to conduct activity independent of the direct grant recipient. Nothing in this subsection shall prohibit payments made in exchange for goods and services.

(3) No grant shall be used for seasonal support to a group, unless the application is specific to the contents of the season, including identified programs and/or projects.

SEC. 319. The National Endowment for the Arts and the National Endowment for the Humanities are authorized to solicit, accept, receive, and invest in the name of the United States, gifts, bequests, or devises of money and other property or services and to use such in furtherance of the functions of the National Endowment for the Arts and the National Endowment for the Humanities. Any proceeds from such gifts, bequests, or devises, after acceptance by the National Endowment for the Arts or the National Endowment for the Humanities, shall be paid by the donor or the representative of the donor to the Chairman. The Chairman shall enter the proceeds in a special interest-bearing account to the credit of the appropriate endowment for the purposes specified in each case.

SEC. 320. No part of any appropriation contained in this Act shall be expended or obligated to fund new revisions of national forest land management plans until new final or interim final rules for forest land management planning are published in the Federal Register. Those national forests which are currently in a revision process, having formally published a Notice of Intent to revise prior to October 1, 1997; those national forests having been court-ordered to revise; those national forests where plans reach the fifteen year legally mandated date to revise before or during calendar year 2000; national

forests within the Interior Columbia Basin Ecosystem study area; and the White Mountain National Forest are exempt from this section and may use funds in this Act and proceed to complete the forest plan revision in accordance with current forest planning regulations.

SEC. 321. No part of any appropriation contained in this Act shall be expended or obligated to complete and issue the five-year program under the Forest and Rangeland Renewable Resources Planning Act.

SEC. 322. (a) In providing services or awarding financial assistance under the National Foundation on the Arts and the Humanities Act of 1965 from funds appropriated under this Act, the Chairperson of the National Endowment for the Arts shall ensure that priority is given to providing services or awarding financial assistance for projects, productions, workshops, or programs that serve underserved populations.

(b) In this section:

(1) The term "underserved population" means a population of individuals who have historically been outside the purview of arts and humanities programs due to factors such as a high incidence of income below the poverty line or to geographic isolation.

(2) The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

(c) In providing services and awarding financial assistance under the National Foundation on the Arts and Humanities Act of 1965 with funds appropriated by this Act, the Chairperson of the National Endowment for the Arts shall ensure that priority is given to providing services or awarding financial assistance for projects, productions, workshops, or programs that will encourage public knowledge, education, understanding, and appreciation of the arts.

(d) With funds appropriated by this Act to carry out section 5 of the National Foundation on the Arts and Humanities Act of 1965—

(1) the Chairperson shall establish a grant category for projects, productions, workshops, or programs that are of national impact or availability or are able to tour several States;

(2) the Chairperson shall not make grants exceeding 15 percent, in the aggregate, of such funds to any single State, excluding grants made under the authority of paragraph (1);

(3) the Chairperson shall report to the Congress annually and by State, on grants awarded by the Chairperson in each grant category under section 5 of such Act; and

(4) the Chairperson shall encourage the use of grants to improve and support community-based music performance and education.

SEC. 323. None of the funds in this Act may be used for planning, design or construction of improvements to Pennsylvania Avenue in front of the White House without the advance approval of the House and Senate Committees on Appropriations.

SEC. 324. Notwithstanding any other provision of law, none of the funds provided in this Act to the Indian Health Service or Bureau of Indian Affairs may be used to enter into any new or expanded self-determination contract or grant or self-governance compact pursuant to the Indian Self-Determination Act of 1975, as amended, for any activities not previously covered by such contracts, compacts or grants. Nothing in this section precludes the continuation of those specific activities for which self-determination and self-governance contracts, compacts and grants currently exist or the renewal of contracts, compacts and grants for those activities; implementation of section 325 of Public Law 105-83 (111 Stat. 1597); or compliance with 25 U.S.C. 2005.

SEC. 325. Amounts deposited during fiscal year 1999 in the roads and trails fund provided for in the fourteenth paragraph under the heading "FOREST SERVICE" of the Act of March 4,

1913 (37 Stat. 843; 16 U.S.C. 501), shall be used by the Secretary of Agriculture, without regard to the State in which the amounts were derived, to repair or reconstruct roads, bridges, and trails on National Forest System lands or to carry out and administer projects to improve forest health conditions, which may include the repair or reconstruction of roads, bridges, and trails on National Forest System lands in the wildland-community interface where there is an abnormally high risk of fire. The projects shall emphasize reducing risks to human safety and public health and property and enhancing ecological functions, long-term forest productivity, and biological integrity. The Secretary shall commence the projects during fiscal year 2000, but the projects may be completed in a subsequent fiscal year. Funds shall not be expended under this section to replace funds which would otherwise appropriately be expended from the timber salvage sale fund. Nothing in this section shall be construed to exempt any project from any environmental law.

SEC. 326. HARDWOOD TECHNOLOGY TRANSFER AND APPLIED RESEARCH. (a) The Secretary of Agriculture (hereinafter the "Secretary") is hereby and hereafter authorized to conduct technology transfer and development, training, dissemination of information and applied research in the management, processing and utilization of the hardwood forest resource. This authority is in addition to any other authorities which may be available to the Secretary including, but not limited to, the Cooperative Forestry Assistance Act of 1978, as amended (16 U.S.C. 2101 et. seq.), and the Forest and Rangeland Renewable Resources Act of 1978, as amended (16 U.S.C. 1600-1614).

(b) In carrying out this authority, the Secretary may enter into grants, contracts, and cooperative agreements with public and private agencies, organizations, corporations, institutions and individuals. The Secretary may accept gifts and donations pursuant to the Act of October 10, 1978 (7 U.S.C. 2269) including gifts and donations from a donor that conducts business with any agency of the Department of Agriculture or is regulated by the Secretary of Agriculture.

(c) The Secretary is hereby and hereafter authorized to operate and utilize the assets of the Wood Education and Resource Center (previously named the Robert C. Byrd Hardwood Technology Center in West Virginia) as part of a newly formed "Institute of Hardwood Technology Transfer and Applied Research" (hereinafter the "Institute"). The Institute, in addition to the Wood Education and Resource Center, will consist of a Director, technology transfer specialists from State and Private Forestry, the Forestry Sciences Laboratory in Princeton, West Virginia, and any other organizational unit of the Department of Agriculture as the Secretary deems appropriate. The overall management of the Institute will be the responsibility of the USDA Forest Service, State and Private Forestry.

(d) The Secretary is hereby and hereafter authorized to generate revenue using the authorities provided herein. Any revenue received as part of the operation of the Institute shall be deposited into a special fund in the Treasury of the United States, known as the "Hardwood Technology Transfer and Applied Research Fund", which shall be available to the Secretary until expended, without further appropriation, in furtherance of the purposes of this section, including upkeep, management, and operation of the Institute and the payment of salaries and expenses.

(e) There are hereby and hereafter authorized to be appropriated such sums as necessary to carry out the provisions of this section.

SEC. 327. No timber in Region 10 of the Forest Service shall be advertised for sale which, when using domestic Alaska western red cedar selling values and manufacturing costs, fails to provide at least 60 percent of normal profit and risk of



the appraised timber, except at the written request by a prospective bidder. Program accomplishments shall be based on volume sold. Should Region 10 sell, in fiscal year 2000, the annual average portion of the decadal allowable sale quantity called for in the current Tongass Land Management Plan which provides greater than 60 percent of normal profit and risk at the time of the sale advertisement, all of the western red cedar timber from those sales which is surplus to the needs of domestic processors in Alaska, shall be made available to domestic processors in the contiguous 48 United States based on values in the Pacific Northwest as determined by the Forest Service and stated in the timber sale contract. Should Region 10 sell, in fiscal year 2000, less than the annual average portion of the decadal allowable sale quantity called for in the current Tongass Land Management Plan meeting the 60 percent of normal profit and risk standard at the time of sale advertisement, the volume of western red cedar timber available to domestic processors at rates specified in the timber sale contract in the contiguous 48 states shall be that volume: (i) which is surplus to the needs of domestic processors in Alaska; and (ii) is that percent of the surplus western red cedar volume determined by calculating the ratio of the total timber volume which has been sold on the Tongass to the annual average portion of the decadal allowable sale quantity called for in the current Tongass Land Management Plan. The percentage shall be calculated by Region 10 on a rolling basis as each sale is sold. (For purposes of this amendment, a "rolling basis" shall mean that the determination of how much western red cedar is eligible for sale to various markets shall be made at the time each sale is awarded.) Western red cedar shall be deemed "surplus to the needs of domestic processors in Alaska" when the timber sale holder has presented to the Forest Service documentation of the inability to sell western red cedar logs from a given sale to domestic Alaska processors at a price equal to or greater than the log selling value stated in the contract. All additional western red cedar volume not sold to Alaska or contiguous 48 United States domestic processors may be exported to foreign markets at the election of the timber sale holder. All Alaska yellow cedar may be sold at prevailing export prices at the election of the timber sale holder.

SEC. 328. For fiscal year 2000, the Secretary of Agriculture, with respect to lands within the National Forest System, and the Secretary of the Interior, with respect to lands under the jurisdiction of the Bureau of Land Management, shall use the best available scientific and commercial data in amending or revising resource management plans for, and offering sales, issuing leases, or otherwise authorizing or undertaking management activities on, lands under their respective jurisdictions: Provided, That the Secretaries may at their discretion determine whether any additional information concerning wildlife resources shall be collected prior to approving any such plan, sale, lease or other activity, and, if so, the type of, and collection procedures for, such information.

SEC. 329. The Secretary of Agriculture and the Secretary of the Interior shall:

(a) prepare the report required of them by section 323(a) of the Fiscal Year 1998 Interior and Related Agencies Appropriations Act (Public Law 105-83; 111 Stat. 1543, 1596-7);

(b) make the report available for public comment for a period of not less than 120 days; and

(c) include the information contained in the report and a detailed response or responses to any such public comment in any final environmental impact statement associated with the Interior Columbia Basin Ecosystem Project.

SEC. 330. Section 7 of the Service Contract Act (SCA), 41 U.S.C. section 356 is amended by adding the following paragraph:

"(8) any concession contract with Federal land management agencies, the principal purpose of which is the provision of recreational

services to the general public, including lodging, campgrounds, food, stores, guiding, recreational equipment, fuel, transportation, and skiing, provided that this exemption shall not affect the applicability of the Davis-Bacon Act, 40 U.S.C. section 276a et seq., to construction contracts associated with these concession contracts."

SEC. 331. **TIMBER AND SPECIAL FOREST PRODUCTS.** (a) **DEFINITION OF SPECIAL FOREST PRODUCT.**—For purposes of this section, the term "special forest product" means any vegetation or other life forms, such as mushrooms and fungi that grows on National Forest System lands, excluding trees, animals, insects, or fish except as provided in regulations issued under this section by the Secretary of Agriculture.

(b) **FAIR MARKET VALUE FOR SPECIAL FOREST PRODUCTS.**—The Secretary of Agriculture shall develop and implement a pilot program to charge and collect not less than the fair market value for special forest products harvested on National Forest System lands. The authority for this pilot program shall be for fiscal years 2000 through 2004. The Secretary of Agriculture shall establish appraisal methods and bidding procedures to ensure that the amounts collected for special forest products are not less than fair market value.

(c) **FEES.**—

(1) **IN GENERAL.**—The Secretary of Agriculture shall charge and collect from persons who harvest special forest products all costs to the Department of Agriculture associated with the granting, modifying, or monitoring the authorization for harvest of the special forest products, including the costs of any environmental or other analysis.

(2) **SECURITY.**—The Secretary of Agriculture may require a person that is assessed a fee under this subsection to provide security to ensure that the Secretary of Agriculture receives fees authorized under this subsection from such person.

(d) **WAIVER.**—The Secretary of Agriculture may waive the application of subsection (b) or subsection (c) pursuant to such regulations as the Secretary of Agriculture may prescribe.

(e) **COLLECTION AND USE OF FUNDS.**—

(1) Funds collected in accordance with subsection (b) and subsection (c) shall be deposited into a special account in the Treasury of the United States.

(2) Funds deposited into the special account in the Treasury in accordance with this section in excess of the amounts collected for special forest products during fiscal year 1999 shall be available for expenditure by the Secretary of Agriculture on October 1, 2000 without further appropriation, and shall remain available until expended to pay for—

(A) in the case of funds collected pursuant to subsection (b), the costs of conducting inventories of special forest products, monitoring and assessing the impacts of harvest levels and methods, and for restoration activities, including any necessary vegetation; and

(B) in the case of fees collected pursuant to subsection (c), the costs for which the fees were collected.

(3) Amounts collected in accordance with subsection (b) and subsection (c) shall not be taken into account for the purposes of the sixth paragraph under the heading of "Forest Service" of the Act of May 23, 1908 (16 U.S.C. § 500); section 13 of the Act of March 1, 1911 (16 U.S.C. § 500); the Act of March 4, 1913 (16 U.S.C. § 501); the Act of July 22, 1937 (7 U.S.C. § 1012); the Acts of August 8, 1937 and of May 24, 1939 (43 U.S.C. §§ 1181 et. seq.); the Act of June 14, 1926 (43 U.S.C. § 869-4); chapter 69 of title 31 United States Code; section 401 of the Act of June 15, 1935 (16 U.S.C. § 715s); the Land and Water Conservation Fund Act of 1965 (16 U.S.C. § 4601-6a); and any other provision of law relating to revenue allocation.

SEC. 332. Title III, section 3001 of Public Law 106-31 is amended by inserting after the word "Alabama," the following phrase "in fiscal year 1999 or 2000".

SEC. 333. The authority to enter into stewardship and end result contracts provided to the Forest Service in accordance with Section 347 of Title III of Section 101(e) of Division A of Public Law 105-825 is hereby expanded to authorize the Forest Service to enter into an additional 9 contracts in Region One.

SEC. 334. **LOCAL EXEMPTIONS FROM FOREST SERVICE DEMONSTRATION PROGRAM FEES.** Section 6906 of Title 31, United States Code, is amended—

(1) by inserting "(a) IN GENERAL.—" before "Necessary"; and

(2) by adding at the end the following:

"(b) **LOCAL EXEMPTIONS FROM DEMONSTRATION PROGRAM FEES.**—

"(1) **IN GENERAL.**—Each unit of general local government that lies in whole or in part within the White Mountain National Forest and persons residing within the boundaries of that unit of general local government shall be exempt during that fiscal year from any requirement to pay a Demonstration Program Fee (parking permit or passport) imposed by the Secretary of Agriculture for access to the Forest.

"(2) **ADMINISTRATION.**—The Secretary of Agriculture shall establish a method of identifying persons who are exempt from paying user fees under paragraph (1). This method may include valid form of identification including a drivers license."

SEC. 335. **MILLSITES OPINION. PROHIBITION ON MILLSITE LIMITATIONS.**—Notwithstanding the opinion dated November 7, 1997, by the Solicitor of the Department of the Interior concerning millsites under the general mining law (referred to in this section as the "opinion"), in accordance with the millsite provisions of the Bureau of Land Management's Manual Sec. 3864.1.B (dated 1991), the Bureau of Land Management Handbook for Mineral Examiners H-3890-1, page III-8 (dated 1989), and section 2811.33 of the Forest Service Manual (dated 1990), the Department of the Interior and the Department of Agriculture shall not limit the number or acreage of millsites based on the ratio between the number or acreage of millsites and the number or acreage of associated lode or placer claims for any fiscal year.

SEC. 336. Notwithstanding section 343 of Public Law 105-83, increases in recreation residence fees may be implemented in fiscal year 2000: Provided, That such an increase would not result in a fee that exceeds 125 percent of the fiscal year 1998 fee.

SEC. 337. No federal monies appropriated for the purchase of land by the Forest Service in the Columbia River Gorge National Scenic Area ("CRGNSA") may be used unless the Forest Service complies with the acquisition protocol set out in this section:

(a) **PURCHASE OPTION REQUIREMENT.**—Upon the Forest Service making a determination that the agency intends to pursue purchase of land or an interest in land located within the boundaries of the CRGNSA, the Forest Service and the owner of the land or interest in land to be purchased shall enter into a written purchase option agreement in which the landowner agrees to retain ownership of the interest in land to be acquired for a period not to exceed one year. In return, the Forest Service shall agree to abide by the bargaining and arbitration process set out in this section.

(b) **OPT OUT.**—After the Forest Service and landowner have entered into the purchase option agreement, the landowner may at any time prior to federal acquisition voluntarily opt out of the purchase option agreement.

(c) **SELECTION OF APPRAISERS.**—Once the landowner and Forest Service both have executed the required purchase option, the landowner and Forest Service each shall select an appraiser to appraise the land or interest in land described in the purchase option. The landowner and Forest Service both shall instruct their appraiser to estimate the fair market value of the land or interest in land to be acquired. The landowner and Forest Service both



shall instruct their appraiser to comply with the Uniform Appraisal Standards for Federal Land Acquisitions (Interagency Land Acquisition Conference 1992) and Public Law 91-646 as amended. Both appraisers shall possess qualifications consistent with state regulatory requirements that meet the intent of Title XI, Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

(d) **PERIOD TO COMPLETE APPRAISALS.**—The landowner and Forest Service each shall be allowed a period of 180 days to provide to the other an appraisal of the land or interest in land described in the purchase option. This 180-day period shall commence upon execution of a purchase option by the landowner and the Forest Service.

(e) **BARGAINING PERIOD.**—Once the landowner and Forest Service each have provided to the other a completed appraisal, a 45-day period of good faith bargaining and negotiation shall commence. If the landowner and Forest Service cannot agree within this period on the proper purchase price to be paid by the United States for the land or interest in land described in the purchase option, the landowner may request arbitration under subsection (f) of this section.

(f) **ARBITRATION PROCESS.**—If a landowner and the Forest Service are unable to reach a negotiated settlement on value within the 45-day period of good faith bargaining and negotiation, during the 10 days following this period of good faith bargaining and negotiation the landowner may request arbitration. The process for arbitration shall commence with each party submitting its appraisal and a copy of this legislation, and only its appraisal and a copy of this legislation, to the arbitration panel within 10 days following the receipt by the Forest Service of the request for arbitration. The arbitration panel shall render a written advisory decision on value within 45 days of receipt of both appraisals. This advisory decision shall be forwarded to the Secretary of Agriculture by the arbitration panel with a recommendation to the Secretary that if the land or interest in land at issue is to be purchased that the United States pay a sum certain for the land or interest in land. This sum certain shall fall within the value range established by the two appraisals. Costs of employing the arbitration panel shall be divided equally between the Forest Service and the landowner, unless the arbitration panel recommends either the landowner or the Forest Service bear the entire cost of employing the arbitration panel. The arbitration panel shall not make such a recommendation unless the panel finds that one of the appraisals submitted fails to conform to the Uniform Appraisal Standard for Federal Land Acquisition (Interagency Land Acquisition Conference 1992). In no event, shall the cost of employing the arbitration panel exceed \$10,000.

(g) **ARBITRATION PANEL.**—The arbitration panel shall consist of one appraiser and two lawyers who have substantial experience working with the purchase of land and interests in land by the United States. The Secretary is directed to ask the Federal Center for Dispute Resolution at the American Arbitration Association to develop lists of no less than ten appraisers and twenty lawyers who possess substantial experience working with federal land purchases to serve as third-party neutrals in the event arbitration is requested by a landowner. Selection of the arbitration panel shall be made by mutual agreement of the Forest Service and landowner. If mutual agreement cannot be reached on one or more panel members, selection of the remaining panel members shall be by blind draw once each party has been allowed the opportunity to strike up to 25 percent of the third-party neutrals named on either list. Of the funds available to the Forest Service, up to \$15,000 shall be available to the Federal Center for Dispute Resolution to cover the initial cost of establishing this program. Once established, costs of administering the program shall be borne by the

Forest Service, but shall not exceed \$5,000 a year.

(h) **QUALIFICATIONS OF THIRD-PARTY NEUTRALS.**—Each appraiser selected by the Federal Dispute Resolution Center, in addition to possessing substantial experience working with federal land purchases, shall possess qualifications consistent with state regulatory requirements that meet the intent of Title XI, Financial Institutions Reform, Recovery & Enforcement Act of 1989. Each lawyer selected by the Federal Dispute Resolution Center, in addition to possessing substantial experience working with federal land purchases, shall be an active member in good standing of the bar of one of the 50 states or the District of Columbia.

(i) **DECISION REQUIRED BY THE SECRETARY OF AGRICULTURE.**—Upon receipt of a recommendation by an arbitration panel appointed under subsection (g), the Secretary of Agriculture shall notify the landowner and the CRGNSA of the day the recommendation was received. The Secretary shall make a determination to adopt or reject the arbitration panel's advisory decision and notify the landowner and the CRGNSA of this determination within 45 days of receipt of the advisory decision.

(j) **ADMISSIBILITY.**—Neither the fact that arbitration pursuant to this act has occurred nor the recommendation of the arbitration panel shall be admissible in any court or administrative proceeding.

(k) **EXPIRATION DATE.**—This act shall expire on October 1, 2002.

**SEC. 338.** A project undertaken by the Forest Service under the Recreation Fee Demonstration Program as authorized by Section 315 of the Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 1996, as amended, shall not result in—

(1) displacement of the holder of an authorization to provide commercial recreation services on Federal lands. Prior to initiating any project, the Secretary shall consult with potentially affected holders to determine what impacts the project may have on the holders. Any modifications to the authorization shall be made within the terms and conditions of the authorization and authorities of the impacted agency.

(2) the return of a commercial recreation service to the Secretary for operation when such services have been provided in the past by a private sector provider, except when—

(A) the private sector provider fails to bid on such opportunities,

(B) the private sector provider terminates its relationship with the agency, or,

(C) the agency revokes the permit for non-compliance with the terms and conditions of the authorization.

In such cases, the agency may use the Recreation Fee Demonstration Program to provide for operations until a subsequent operator can be found through the offering of a new prospectus.

**SEC. 339. NATIONAL FOREST-DEPENDENT RURAL COMMUNITIES ECONOMIC DIVERSIFICATION.** (a) **FINDINGS AND PURPOSES.**—Section 2373 of the National Forest-Dependent Rural Communities Economic Diversification Act of 1990 (7 U.S.C. 6611) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by striking “national forests” and inserting “National Forest System land”;

(B) in paragraph (4), by striking “the national forests” and inserting “National Forest System land”;

(C) in paragraph (5), by striking “forest resources” and inserting “natural resources”; and

(D) in paragraph (6), by striking “national forest resources” and inserting “National Forest System land resources”; and

(2) in subsection (b)(1)—

(A) by striking “national forests” and inserting “National Forest System land”; and

(B) by striking “forest resources” and inserting “natural resources”.

(b) **DEFINITIONS.**—Section 2374(1) of the National Forest-Dependent Rural Communities Economic Diversification Act of 1990 (7 U.S.C. 6612(1)) is amended by striking “forestry” and inserting “natural resources”.

(c) **RURAL FORESTRY AND ECONOMIC DIVERSIFICATION ACTION TEAMS.**—Section 2375(b) of the National Forest-Dependent Rural Communities Economic Diversification Act of 1990 (7 U.S.C. 6613(b)) is amended—

(1) in the first sentence, by striking “forestry” and inserting “natural resources”; and

(2) in the second and third sentences, by striking “national forest resources” and inserting “National Forest System land resources”.

(d) **ACTION PLAN IMPLEMENTATION.**—Section 2376(a) of the National Forest-Dependent Rural Communities Economic Diversification Act of 1990 (7 U.S.C. 6614(a)) is amended—

(1) by striking “forest resources” and inserting “natural resources”; and

(2) by striking “national forest resources” and inserting “National Forest System land resources”.

(e) **TRAINING AND EDUCATION.**—Paragraphs (3) and (4) of section 2377(a) of the National Forest-Dependent Rural Communities Economic Diversification Act of 1990 (7 U.S.C. 6615(a)) are amended by striking “national forest resources” and inserting “National Forest System land resources”.

(f) **LOANS TO ECONOMICALLY DISADVANTAGED RURAL COMMUNITIES.**—Paragraphs (2) and (3) of section 2378(a) of the National Forest-Dependent Rural Communities Economic Diversification Act of 1990 (7 U.S.C. 6616(a)) are amended by striking “national forest resources” and inserting “National Forest System land resources”.

**SEC. 340. INTERSTATE 90 LAND EXCHANGE.** (a) Section 604(a) of the Interstate 90 Land Exchange Act of 1998 (105 Pub. L. 277; 12 Stat. 2681–326 (1998)) is hereby amended by adding at the end of the first sentence: “except title to offered lands and interests in lands described in section 605(c)(2) (Q), (R), (S), and (T) must be placed in escrow by Plum Creek, according to terms and conditions acceptable to the Secretary and Plum Creek, for a three-year period beginning on the later of the date of enactment of this Act or consummation of the exchange. During the period the lands are held in escrow, Plum Creek shall not undertake any activities on these lands, except for fire suppression and road maintenance, without the approval of the Secretary, which shall not be unreasonably withheld”.

(b) Section 604(b) of the Interstate 90 Land Exchange Act of 1998 (105 Pub. L. 277; 12 Stat. 2681–326 (1998)) is hereby amended by inserting after the words “offered land” the following: “as provided in section 604(a), and placement in escrow of acceptable title to the offered lands described in section 605(c)(2) (Q), (R), (S), and (T)”.

(c) Section 604(b) is further amended by adding the following at the end of the first sentence: “except Township 19 North, Range 10 East, W.M., Section 4, Township 20 North, Range 10 East, W.M., Section 32, and Township 21 North, Range 14 East, W.M., W<sup>1</sup>/<sub>2</sub>W<sup>1</sup>/<sub>2</sub> of Section 16, which shall be retained by the United States”. The appraisal approved by the Secretary of Agriculture on July 14, 1999 (the “Appraisal”) shall be adjusted by subtracting the values determined for Township 19 North, Range 10 East, W.M., Section 4 and Township 20 North, Range 10 East, W.M., Section 32 during the Appraisal process in the context of the whole estate to be conveyed.

(d) After adjustment of the Appraisal, the values of the offered and selected lands, including the offered lands held in escrow, shall be equalized as provided in section 605(c) except that the Secretary also may equalize values through the following, including any combination thereof—

(1) conveyance of any other lands under the jurisdiction of the Secretary acceptable to Plum

Creek and the Secretary after compliance with all applicable Federal environmental and other laws; and

(2) to the extent sufficient acceptable lands are not available pursuant to paragraph (1) of this subsection, cash payments as and to the extent funds become available through appropriations, private sources, or, if necessary, by reprogramming.

(e) The Secretary shall promptly seek to identify lands acceptable for conveyance to equalize values under paragraph (1) of subsection (d) and shall, not later than May 1, 2000, provide a report to Congress outlining the results of such efforts.

(f) As funds or lands are provided to Plum Creek by the Secretary, Plum Creek shall release to the United States deeds for lands and interests in land held in escrow based on the values determined during the Appraisal process in the context of the whole estate to be conveyed. Deeds shall be released for lands and interests in lands in the exact reverse order listed in section 605(c)(2).

(g) Section 606(d) is hereby amended to read as follows: "the Secretary and Plum Creek shall make the adjustments directed in section 604(b) and consummate the land exchange within 30 days of enactment of the Interstate 90 Land Exchange Amendment, unless the Secretary and Plum Creek mutually agree to extend the consummation date".

SEC. 341. THE SNOQUALMIE NATIONAL FOREST BOUNDARY ADJUSTMENT ACT OF 1999. (a) IN GENERAL.—The boundary of the Snoqualmie National Forest is hereby adjusted as generally depicted on a map entitled "Snoqualmie National Forest 1999 Boundary Adjustment" dated June 30, 1999. Such map, together with a legal description of all lands included in the boundary adjustment, shall be on file and available for public inspection in the office of the Chief of the Forest Service in Washington, District of Columbia. Nothing in this subsection shall limit the authority of the Secretary of Agriculture to adjust the boundary pursuant to section 11 of the Weeks Law of March 1, 1911.

(b) RULE FOR LAND AND WATER CONSERVATION FUND.—For the purposes of section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l-9), the boundary of the Snoqualmie National Forest, as adjusted by subsection (a), shall be considered to be the boundary of the Forest as of January 1, 1965.

SEC. 342. Section 1770(d) of the Food Security Act of 1985 (7 U.S.C. 2276(d)) is amended by redesignating paragraph (10) as paragraph (11) and by inserting after paragraph (9) the following new paragraph:

"(10) section 3(e) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1642(e));".

SEC. 343. None of the funds appropriated or otherwise made available by this Act may be used to implement or enforce any provision in Presidential Executive Order 13123 regarding the Federal Energy Management Program which circumvents or contradicts any statutes relevant to Federal energy use and the measurement thereof, including, but not limited to, the existing statutory mandate that life-cycle cost effective measures be undertaken at Federal facilities to save energy and reduce the operational expenditures of the Government.

SEC. 344. The Forest Service shall use appropriations or other funds available to the Service to—

(1) improve the control or eradication of the pine beetles in the Rocky Mountain region of the United States; and

(2)(A) conduct a study of the causes and effects of, and solutions for, the infestation of pine beetles in the Rocky Mountain region of the United States; and

(B) submit to Congress a report on the results of the study, within 6 months of the date of enactment of this provision.

SEC. 345. None of the funds made available by this Act may be used for the physical relocation

of grizzly bears into the Selway-Bitterroot Wilderness of Idaho and Montana.

SEC. 346. SHAWNEE NATIONAL FOREST, ILLINOIS. None of the funds made available under this Act may be used to—

(1) develop a resource management plan for the Shawnee National Forest, Illinois; or

(2) make a sale of timber for commodity purposes produced on land in the Shawnee National Forest from which the expected cost of making the timber available for sale is greater than the expected revenue to the United States from the sale.

SEC. 347. YOUTH CONSERVATION CORPS AND RELATED PARTNERSHIPS. (a) Notwithstanding any other provision of this Act, there shall be available for high priority projects which shall be carried out by the Youth Conservation Corps as authorized by Public Law 91-378, or related partnerships with non-Federal youth conservation corps or entities such as the Student Conservation Association, \$1,000,000 of the funds available to the Bureau of Land Management under this Act, in order to increase the number of summer jobs available for youth, ages 15 through 22, on Federal lands.

(b) Within six months after the date of enactment of this Act, the Secretary of Agriculture and the Secretary of the Interior shall jointly submit a report to the House and Senate Committees on Appropriations and the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives that includes the following—

(1) the number of youth, ages 15 through 22, employed during the summer of 1999, and the number estimated to be employed during the summer of 2000, through the Youth Conservation Corps, the Public Land Corps, or a related partnership with a State, local or nonprofit youth conservation corps or other entities such as the Student Conservation Association;

(2) a description of the different types of work accomplished by youth during the summer of 1999;

(3) identification of any problems that prevent or limit the use of the Youth Conservation Corps, the Public Land Corps, or related partnerships to accomplish projects described in subsection (a);

(4) recommendations to improve the use and effectiveness of partnerships described in subsection (a); and

(5) an analysis of the maintenance backlog that identifies the types of projects that the Youth Conservation Corps, the Public Land Corps, or related partnerships are qualified to complete.

SEC. 348. Each amount of budget authority for the fiscal year ending September 30, 2000, provided in this Act for payments not required by law, is hereby reduced by 0.34 percent: Provided, That such reductions shall be applied ratably to each account, program, activity, and project provided for in this Act.

This Act may be cited as the "Department of the Interior and Related Agencies Appropriations Act, 2000".

Mr. GORTON. Mr. President, I move to reconsider the vote.

Ms. MIKULSKI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate insist on its amendment and request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees on behalf of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Presiding Officer (Mr. SESSIONS) appointed Mr. GORTON, Mr. STEVENS,

Mr. COCHRAN, Mr. DOMENICI, Mr. BURNS, Mr. BENNETT, Mr. GREGG, Mr. CAMPBELL, Mr. BYRD, Mr. LEAHY, Mr. HOLLINGS, Mr. REID, Mr. DORGAN, Mr. KOHL, and Mrs. FEINSTEIN conferees on the part of the Senate.

Mr. GORTON. Mr. President, the talents of my Staff Director, Bruce Evans, are exceeded only by his patience.

This bill has been on and off the floor for the better part of two months at this point and has now been passed by a fairly near unanimous vote as against the situation a year ago when we were barely able to begin debate on it.

Mr. Evans has led the staff of both parties with great skill and dedication and has kept me out of many troubles I might otherwise have had. Perhaps the best tribute to that is the fact that no changes were made in this bill in this 2-month period as a result of contested votes on the floor of the Senate. Many were made as a result of reasonable requests on the part of many of our Members.

I thank my ranking minority member, the distinguished senior Senator from West Virginia, whose help and cooperation from the beginning of my chairmanship of this subcommittee has been unflinching and of immense effect.

Mr. President, I would once again like to thank both my staff and Senator BYRD's staff for all the hard work they have done on this bill. The Minority Clerk, Kurt Dodd, has been a pleasure to work with in his first full year with the Committee. He has proven to be a valuable resource for my staff through both his knowledge of the programs in this bill and his advocacy on behalf of members on the other side of the aisle. Kurt has been ably assisted by Carole Geagley of the minority staff, and by Liz Gelfer, whom we have enjoyed having on detail from the Department of Energy.

My own subcommittee staff has also had benefit of an agency detailee this year. Sean Marsan has been with us courtesy of the U.S. Fish and Wildlife Service, and has done a wonderful job on a number of special projects. He has also performed well the laborious task of logging the thousands of member requests that the Subcommittee receives from members of this body. For those of my colleagues who have particular programs or projects funded in this bill—and I think I can safely say that includes each one of you—you owe Sean a debt of gratitude for keeping your ample requests in some sort of manageable order.

I also want to thank the subcommittee professional staff for all of their good work. Ginny James continues to do a great job with the many cultural agencies funded in this bill, as well as with the Indian Health Service and U.S. Geological Survey accounts. I am pleased that we were able this year to provide modest increases for both the NEA and NEH, and hope that the two endowments appreciate the role

Ginny has played in making this possible. It is not an easy thing to shepherd and provide counsel to the enthusiastic, but sometimes over-eager, arts community.

Anne McInerney of the subcommittee staff has been responsible for the Fish and Wildlife Service and Bureau of Indian Affairs accounts, and this year took on the added responsibility of managing the land acquisition accounts for the four land management agencies. Members of this body continue to put individual land acquisition projects toward the top of their priority lists, making it quite a challenge to balance those priorities against the core operating needs of the agencies funded in this bill. Anne has done a marvelous job in this regard, as well as in helping me address the many management challenges faced by the Bureau of Indian Affairs and the Office of the Special Trustee.

Leif Fonnesebeck is in his first full year with the Committee staff. He has in effect been thrown in the deep end by being assigned the Forest Service and Bureau of Land Management accounts, where he probably will spend as much time on policy issues as on more traditional appropriations matters. Of the half dozen or so amendments that have been debated and voted upon during consideration of this bill, I think all but one have been related to Leif's area of responsibility. He has acquitted himself very well, and has proven to be a quick study. We are glad to have him with us.

Joe Norrell is also new to our subcommittee this year. Joe performs duties for both the Interior subcommittee and the VA/HUD subcommittee chaired by Senator BOND, and as such is frequently pulled in two different directions by two different masters. He has handled this difficult challenge with commitment and good humor, and has been a great help to both subcommittees.

Finally, I would also like to thank Kari Vander Stoep of my personal staff for her work on the issues in this bill that are of particular importance to the people of Washington state. Kari has done a wonderful job in this regard since her predecessor, Chuck Berwick, departed for business school.

Each of these individuals has already spent many late nights working on this bill, and will likely spend many more such nights over the coming weeks as we move to conference with the House. I want to express my own gratitude for their good work, and also convey the appreciation of the Ranking Member, Senator BYRD, and that of the Senate as a whole.

#### UNANIMOUS-CONSENT AGREEMENT—H.R. 2684

Mr. LOTT. Mr. President, I ask unanimous consent the following amendments be the only first-degree amendments in order to the HUD-VA appropriations bill and they be subject to

relevant second-degree amendments. I further ask consent that Senator WELLSTONE be recognized this evening to offer his amendment. I thank him for being willing to stay here to offer his amendment. We need more Senators willing to stay to get the job done. He will offer a sense of the Senate on atomic veterans. That amendment will be debated tonight. I further ask consent no amendment be in order to the Wellstone amendment prior to the vote, and I ask consent that the vote occur at 9:30 a.m. on Friday, with 2 minutes for debate for closing remarks prior to the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. As a result of this agreement, there will be no further votes this evening. The first vote tomorrow will be at approximately 9:35 a.m. It is anticipated further votes will occur tomorrow in an effort to conclude HUD-VA. I talked with Senator DASCHLE. We should and we will finish the HUD-VA appropriations bill tomorrow. We have good managers on this bill. They will push it forward.

The only amendments that we had on the list are the atomic veterans sense of the Senate by Senator WELLSTONE, sense of the Senate regarding education by Senator DASCHLE, an amendment by Senator KERRY regarding section 8 housing, another amendment by Senator KERRY regarding housing aids, one regarding NASA by Senator ROBB, one by Senator TORRICELLI regarding aircraft noise, a managers' package by Senator BOND, one by Senators BENNETT and DODD regarding Y2K, and relevant by Senators BOND and MIKULSKI.

#### RULE XXII

Mr. LOTT. One final thing, and then the managers can go forward. It is my understanding some of the debate today was not germane to the issue on oil royalties, the issue on which 60 Members voted to invoke cloture earlier today.

Rule XXII clearly states all debate must be germane. Senators THOMAS and Senator HUTCHISON of Texas raised a point of order to guide the debate back to the pending oil royalties subject. The Chair on first blush ruled the debate does not have to be germane.

To better clarify the position of the chairman, I now make a parliamentary inquiry. Is there a requirement under rule XXII that all debate postcloture must be germane to the issue on which cloture was invoked?

The PRESIDING OFFICER. The Senator is correct. All debate postcloture must be germane to the issue on which cloture was invoked.

Mr. LOTT. Mr. President, if a Senator speaks on a subject that is non-germane to the pending issue, is it in order for any Member to raise a point of order against the debate in question?

The PRESIDING OFFICER. It is in order for any Member to raise a point

of order relative to the debate. When such a point of order is raised, the Chair will decide if the debate in question is germane or non-germane. If the debate is determined to be germane, the debate in question will resume. If the debate is determined to be non-germane, the Senator will be warned to keep his remarks germane to the pending question. If the Senator continues to speak on a non-germane basis and any Senator raises a point of order against the debate content, the Chair would restate the rule on which the violation is occurring and the Senator in question would immediately lose the floor.

Mr. LOTT. I thank the Chair for that clarification. I therefore withdraw a pending appeal.

The PRESIDING OFFICER. The appeal is withdrawn.

Mr. LOTT. I yield the floor.

Mr. FEINGOLD. Mr. President, I just want to make one clarification concerning the colloquy between the majority leader and the Chair. I have no disagreement with the statements of the Chair concerning the Senate rule on germaneness during the post-cloture debate. However, the majority leader prefaced his inquiry with the statement that it was his understanding that some debate on the oil royalties amendment was not germane. I want to make clear that there was never a ruling that any particular statement made during the debate by any Senator was not germane. I am confident that my remarks during this debate were germane to the issue at hand and I do not interpret the Chair's statement in this colloquy to have suggested or ruled otherwise.

#### DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 2000—Resumed

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative assistant read as follows:

A bill (H.R. 2684) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2000, and for other purposes.

Mr. BOND. Mr. President, may I ask the majority leader, was that a unanimous consent order that the only amendments in order are the ones that were read off?

Mr. LOTT. That is correct. It did say, of course, relevant second-degree amendments would be in order. I believe we only have a half dozen or so amendments we have to consider. I hope most of them can be handled without recorded votes. It does appear there would be a necessity for as many as two recorded votes, maybe three, tomorrow. If the Senators cooperate, I think we can be through with this bill